

Agenda Item No: 8
Report To: Cabinet
Date of Meeting: 23 February 2023
Report Title: Budget 2023/24
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Portfolio Holder for: Finance & IT



Summary:

This report is the culmination of a number of financial planning reports that have been received by Cabinet over the last year. In October Cabinet received a report updating the Council's Medium Term Financial Plan 2023-2028; this informed the draft budget that was presented to Cabinet in November, the draft budget was then put forward to the Overview and Scrutiny Budget Task Group for review, and put out to public consultation.

This paper provides updates from the draft budget presented in November, including funding announcements and presents the final budget for 2023/24 for consideration by Cabinet. Cabinet's recommendations will then be presented to full Council.

The draft budget forecasted a deficit of £2.87m which was to be funded from the Economic Growth and Risk Fund, however there have been a number movements since the draft budget that have reduced the deficit to £1.51m a reduction of £1.36m.

The primary movements resulted from the change in Government funding with an additional £526,000 of New Homes Bonus received, and an additional £188,060 for the 3% funding guarantee grant which was introduced. There has also been £200,000 of immediately deliverable savings identified, and £500,000 increase in interest receipts from Ashford International Development Company as the Council looks to deliver significant savings to balance the budget moving forward.

There was a growth item of £61,140 between the draft and final budget relating to the proposal to cut the Council Tax increase of £5.00 (as per draft budget), down to £3.75 per annum to maintain Ashford's position as having the lowest Council Tax in Kent at £181.25 per annum.

Funding the 2023/24 deficit from reserves is a short term strategy and the Council and Management team have developed a savings plan of £1.42m to close the year's budget gap and to reduce the draw on reserves. These savings will be presented separately to the Overview and Scrutiny Budget task Group for consideration.

There is continued uncertainty over the long term Government Funding of Local Authorities as the Governments fair funding and spending reviews continue to be delayed.

The report covers the Housing Revenue Account, which includes an average increase in rents of 7% in line with government guidance following a rent consultation exercise. Without the consultation and government intervention rents would have increased by 11.1%. While this supports social housing tenants it does place unfunded inflation costs upon the HRA.

A number of strategies and framework documents are also included within the report for consideration.

Key Decision: YES

Significantly Affected Wards: All

Recommendations: **The Cabinet is recommended to:-**

Part 1

- I. Note the budget context

Part 2

- II. Recommend the Revenue Budget 2023/24 including the net budget requirement of **£18,642,710 (excluding parish precepts)**.
- III. Recommend the level of discretionary and statutory fees to be levied from 1 April 2023 as set out in **Appendix D**.
- IV. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
- V. Note the summary of reserves **Table 6** and **Appendix C**
- VI. Note the Equality Impact Assessment in **Appendix E**

- VII. Recommend the Band D council tax at **£181.25**.
- VIII. Cabinet supports the proposed savings schedule attached at **Appendix O** and recommends its presentation to the Overview and Scrutiny Budget Task Group for consideration.

Part 3

- IX. Resolve that the Housing Revenue Account budget for 2023/24 be approved.
- X. Resolve the rent increase of 7% in accordance with government guidelines, and that rent setting for the future continues to follow government guidelines.

Part 4

- XI. Capital Plan 2023/24 to 2025/26 in **Appendix G** is approved.

Part 5

- XII. Recommend to Council that the 2023/24 Capital Strategy be approved **Appendix H**
- XIII. Recommend to Council that the MRP Policy as set out in **Appendix I**, the Treasury Management Strategy Statement at **Appendix J**, and the Investment Strategy at **Appendix K** are approved.

Part 6

- XIV. Approve the ABC Exceptional Circumstances Policy as outlined in **Appendix L**

Part 7

- XV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves, **Appendix M**

Policy Overview:

The council's revenue budget is intended to support the priorities set out within the Corporate Plan and flows through from the Medium Term Financial Plan (MTFP).

The Corporate Plan is geared to ensuring that priorities are delivered and that the council's service activities are managed within the constraints of resources available.

Financial Implications:

The key implications of this budget are:

- Council Tax rise of £3.75 to £181.25 for a Band D property.
- Housing rents to increase by 7% as per Government policy.
- Revised service fees and charges be agreed.
- The budget deficit of £1.51m to be funded from the Economic Growth and Risk Fund which will be reduced if savings are delivered
- Significant savings need to be made to reduce reliance on the Council's reserves, and to reduce the deficit and ensure financial sustainability.

Legal Implications:
*Text agreed by the Monitoring Officer
03/02/2022*

The Council is legally required to set a balanced budget at the start of every year to meet our financial responsibilities.

Equalities Impact Assessment:

See Attached in **Appendix E**

Data Protection Impact Assessment:

NA

Risk Assessment (Risk Appetite Statement):

See body of report

Sustainability Implications:

NA

Other Material Implications:

This budget has been developed during a time of economic uncertainty and a time when inflation and interest rates have risen sharply creating an environment of financial uncertainty.

Exempt from Publication:

No

Background Papers:

None

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Report Title: Budget 2023/24

Introduction and Background

1. This report presents the final 2023/24 budget for approval and recommendation to full Council. The draft budget was approved by Cabinet in November 2022.
2. This budget has been built with regard to Sections 3 and 4 of CIPFA's Financial Management Code which has been introduced to demonstrate good financial management within the public sector. The full code which contains seven crosscutting sections will be fully embedded throughout 2023/24.
3. This budget supports the 2022/24 corporate plan and covers; the general fund revenue budget; discretionary fees; the housing revenue account; the capital programme; the capital strategy; minimum revenue provision statement, the treasury management and annual investment strategies; and the investment strategy.
4. The draft budget has been scrutinised by the Overview and Scrutiny Committee's Budget Task Group. Public consultation has been sought through the council's website and other communication channels which commenced in December.
5. The budget for 2023/24 has been balanced by funding the £1.51m deficit from the Economic Growth and Risk Fund (a Council reserve). Although the current net deficit includes £200,000 of immediately deliverable savings, The Cabinet together with the Management team have been working on identifying savings to bridge the MTFP deficit. An initial proposal for £1.42m of savings to reduce the budget deficit and the overall reliance on reserves is shown at **Appendix O** once the savings are delivered. These savings will be further developed and delivered during 2023/24. The savings proposed within this budget will be presented separately to Overview and Scrutiny Budget Task Group for consideration.
6. The strategy of funding the deficit from reserves is appropriate to manage the immediate pressure and financial challenges faced by the Council, however it should be noted, and understood, that this is **not** a sustainable long term solution, and appropriate savings need to be made to reduce the budget deficit. As mentioned in the paragraph above, the management team in conjunction with the Cabinet, to looking to identify long term savings through delivering services differently or reducing services (notably non-statutory functions where the Council is not the responsible authority for delivery) in order to save £2m per annum, resulting in a balanced Medium Term Financial Plan position for the Council.
7. This budget has been developed during a period of high inflation, rising interest rates, cost of living crises and forecast national recession, these are key influences within this budget. There is also continued uncertainty over long term government funding with funding reform further delayed.

8. Full details of the revenue budget, HRA budget and capital programme will be contained in the 'Budget Book 2023/24' which will be published once the budget has been approved by Full Council.
9. This report is presented in seven parts:
 - Part One - Context and Government Grant
 - Part Two - General Fund Revenue Budget
 - Part Three - Housing Revenue Account
 - Part Four - Capital Programme
 - Part Five - Capital Strategy, MRP Policy, Treasury Management Strategy statement and the Investment Strategy
 - Part Six - Exceptional Circumstances Policies
 - Part Seven - Robustness of the Estimates and Adequacy of Reserves

PART ONE – CONTEXT AND GOVERNMENT GRANT

The Corporate Plan

2. This is the second budget of the Corporate Plan 2022/24 which was adopted (late 2021) and includes three priority themes:
 - I. **Green Pioneer** – Where businesses, communities and the public and third sector have come together to become carbon neutral, respect the local environment and ecology, and embrace a more sustainable way of living.
 - II. **Caring Ashford** – A caring and supportive place to live, with rich heritage; thriving towns, villages and rural communities; great schools; high-quality housing; a plethora of cultural activities and events; and a strong sense of civic pride.
 - III. **Targeted Growth** – A place where productive, innovative, responsible town and rural business communities offer good quality work to an agile and skilled local workforce who have embraced a culture of lifelong learning.
3. The corporate plan was also framed ‘The Ashford Ambition’ *“To be a thriving, productive and inclusive borough in 2030 and beyond; a vital part of Kent and the South East where local businesses, social enterprises, communities and the public sector provide collective leadership to promote shared prosperity, happiness and wellbeing”*.
4. The Corporate Plan includes the ‘Super 6’ which are strategic projects; Project Green, South Ashford Garden Community, Ashford College Phase 2, Newtown Works, Stodmarsh, and the Town Centre Reset.
5. The council has a Medium Term Financial Plan (MTFP) which was presented to Cabinet in October 2022 and covers a rolling five year period. The MTFP is reviewed regularly and updated to reflect economic changes, corporate priorities and incorporates new projects/information into the plan.
6. The MTFP presented in October shows a cumulative deficit of £10m over the 5 year period. Although the Council has sufficient reserves to fund this deficit, it is not a prudent or sustainable long term solution, therefore savings will need to be identified.
7. With such a significant change in economic and financial conditions since the inception of the 2022/24 Corporate Plan, both as it is now, but also considering a possible recession, the Council will need to re-focus on delivering essential services to stakeholders and need to question the delivery of the strategic projects under the Corporate Plan, only taking forward the key strategic priorities.
8. In delivering these services the Council need to ensure stakeholders are receiving value for money services, but also understand the service level which is affordable, and what is, and is not a statutory function.

9. The budget included in this report has been built in accordance with the strategy adopted.

Local Government Finance Settlement

10. The local government finance settlement is the annual determination of funding to local government from central government and was published on 23 December 2022, this was debated and laid before Parliament on Wednesday 8 February 2023.
11. The settlement was positive for Ashford with the announcement of a 3% funding guarantee adding to the Councils Core Spending Power (CSP), compared to the prior year when Ashford was one of 34 Councils that did not receive any increase in CSP, and that was largely anticipated for 2023/24.
12. While the new 3% funding guarantee grant was valued at £400,680, the net increase in general grant was £188,060 as a number of grants previously awarded were rolled up into this award, the rural services delivery grant also increased by £10,250.
13. The allocation for New Homes Bonus (NHB) for 2023/24 is £1.66m, this was higher than originally forecast by £526,000, largely due to an increase in the number of empty properties being brought back into use, and it is proposed that this is used to support the base budget pressure.
14. There have been no further announcements regarding the reforms to New Homes Bonus following the consultation in July 2021 with the Government persisting to award one year settlement only with no legacy payment attached.
15. The other significant announcement coming out of the financial settlement was government's recognition of pressure being faced by local Councils, and the increase in the Council Tax cap from 1.99% to 2.99% to support emerging pressures. The £5 limit did not increase and many commentators have questioned this as it does not support the narrowing of the gap between low and high precepting authorities. There has been feedback to Government that the upper limit should have been extended to £10.
16. For Ashford, and while this announcement was welcomed, as a lower taxing authority we already had provision for a £5, 2.9% uplift in the draft budget. If the Council was mindful to increase to 2.99% (which is anticipated by Government) the precept could increase by £5.31, generating additional income of £15,160 for the council, and additional 31 pence per annum charge for an average Band D property.
17. It should be noted that due to the capping arrangements in place over Council Tax increases, without triggering a referendum requirement, if increases are not maximised annually then that element of increase cannot be recovered, therefore the £15,160 per annum is equal to £75,800 (excluding property growth) over the MTFP, and continues to extrapolate upwards unless capping regulations are changed.

18. A full list of movements between the draft and final budget reports are covered in part two of this report and it is recommended that the additional funding is used to reduce the 2023/24 deficit and pressure on reserves.

Formula Grant

19. For the last few years the concept of a Negative RSG has been discussed which would see the Council paying Government £240,000 redistributing Local Council Tax funds. In the face of strong opposition, the Government has confirmed that negative RSG will be eliminated again for 2023/24.

Business Rates

20. The calculation for business rates takes into account a number of factors (tariff, yield and Small Business Rate Relief) that affect the budget. The valuation methodology of business premises rateable value and the multiplier is set by the Valuation Office and Central Government. The multiplier has been frozen by Central Government for 2023/24 and the Council is compensated for the under-indexation.
21. The budget requires the sum of Business Rate income and Section 31 grant to achieve £7.502m. The statutory business rates forecast return (called the NNDR1) has been submitted and is broadly in line with this target.
22. The elements of these estimates are discussed below.

Yield

23. The NNDR1 calculates a yield for Ashford Borough Council (40%) of £21.216m (£19.731m 2022/23). This includes changes made to transitional relief, an allowance for costs of collection and amounts retain for renewable energy schemes within the Borough.
24. The yield has increase between years due to the VOA (Valuation Office Agency) having issued a new valuation listing for 2023 and a number of transitional arrangements put in place.
25. In relation to the new valuation list the increase for Ashford is an increase of 5% (£136.75m to £143.523m) which compares to 10.9% increase across the south east. This movement below average is due to the composition of the businesses within the borough, with industrial sites generally increasing and retail operators seeing a reduction.
26. Having a lower % movement overall could be positive for Ashford, with many businesses seeing lower increases than other districts, which could also result in lower future appeals to the new valuation listing .

Tariff

27. For 2023/24 Government have set the tariff level for Ashford at £16.282m (£16.118m in 2022/23) and is broadly in line with expectations. The tariff is the amount that Council has to pay back to Central Government above the business rates baseline for re-distribution, to those in a top-up position where their rate is below their business rates baseline.

Levy

28. This is a charge against income received over the government's baseline and charged at a rate of 50%. The Council has reduced this by being a member of the Kent Business rates pool and in reality will pay a lower levy rate, expected to be 0% in 2022/23 and also forecast to be 0% in 2023/24.

Section 31 Grant

29. To compensate Local Government for changes that have been imposed on the Business Rates Retention scheme by central government a grant is paid.
30. Government has for some time doubled the level of Small Business Rate relief offered. This is outside the business rate retention scheme and a compensatory grant is paid to the council in the form of a S31 Grant, alongside additional grant for other categories of relief specified by Government. The 2023/24 NNDR1 shows this figure as £8.012m (£5.841m in 2022/23). This increase in grant income compensates for the reduction in net rates payable, which is a direct result of reliefs given by Government to businesses, and the freeze to the business rates multiplier.
31. At times these amounts need to be held in reserves to off-set deficits in the Collection Fund that are recovered over subsequent years.

Deficit/surplus

32. The total business rates element of the collection fund is forecasting a surplus of approximately £920,000, this includes the previous year's surplus of £3.5m, there has been an in-year movement of £2.5m due to additional reliefs that will be funded from S31 Grant and large appeals that have been settled with supermarkets, this will be funded from the provision at years end. Ashford's share of the surplus in 2022/23 is expected to be £368,000 (40%).

Council Tax

33. As referred to in the Local Government Finance settlement section of this report, the referendum limit for Council Tax was increased by Government from 1.99% to 2.99% to recognise funding pressures within the sector and would have meant Ashford could have increased Council Tax to £5.31 for an Average Band D property generating an additional income of £15,160.
34. The draft budget assumed a £5.00 (2.9%) increase in Council Tax bringing in the band D payment to £182.50 (£177.50 in 2022/23), as the Council could opt to raise the Council Tax by up to the higher of 2% or £5, pre financial settlement announcement.
35. However, following approval of the draft budget, the current administration has amended the Council Tax proposal in the final budget report to limit the increase to £3.75 (2.11%), making the average Band D property £181.25 for 2023/24. This recommendation is aimed at maintaining the Council's position as having the lowest Council Tax in Kent.

36. **The financial implication of this recommendation is that the Council will have a pressure of £61,140 between the draft and final budget which will need to be funded from reserves, and be added to the future savings requirement. Add in the £15,160 forgone by the increase to 2.99% that is a loss of resource of £76,300 per annum.**
37. As referenced previously, Government expects Councils to raise Council Tax by the maximum amount permitted (as forecast in core spending settlement figures) to support public services. The net impact of the Council charging £3.75 rather than the £5.31 permitted will cost the Council £76,000 in 2023/24, and £380,000 across the life of the MTFP.
38. **The Cabinet had weighed up the loss of resource and consequential impact on our savings requirement over the saving to our residents. Given that a savings package has been identified to bridge the budget gap Cabinet are recommending a reduced increase in council tax.**
39. The table below shows the anticipated (not approved) Council Tax increases across other Kent Districts where with the exception of Dartford and Ashford maximum increases are forecast to be applied. The table also shows the impact of Government not increasing the £5 cap and how a widening gap will develop between higher and lower taxing districts. **Table 1** shows that Ashford will marginally still be the lowest Council Tax in Kent by 10 pence, taking into account special allowances at other authorities.

Table 1 – Anticipated Council Tax increases 2023/24

District	2022/23 Council Tax £	Anticipated Increase %	Anticipated Increase £	Forecast 2023/24 Council Tax £
Ashford	177.50	2.11%	3.75	181.25
Dartford	181.35	0.00%	0.00	181.35
Swale	189.27	2.99%	5.66	194.93
Tunbridge Wells	193.75	2.99%	5.79	199.54
Tunbridge Wells – excluding Special Expenses**	137.83	2.99%	4.12	141.95
Dover	202.14	2.99%	6.04	208.18
Gravesham	217.98	2.99%	6.52	224.50
Average***	220.50	2.67%	6.01	226.51
Tonbridge & Malling	224.50	2.99%	6.71	231.21
Canterbury	226.17	2.99%	6.76	232.93
Sevenoaks	229.86	2.99%	6.87	236.73
Thanet	248.13	2.99%	7.42	255.55
Maidstone	276.30	2.99%	8.26	284.56
Folkestone & Hythe	279.09	2.99%	8.34	287.43

*source:- [Live tables on Council Tax - GOV.UK \(www.gov.uk\)](https://www.gov.uk) – exc PPs tab

**source:- <https://tunbridgewells.gov.uk/council-tax/your-council-tax>

*** The Average calculation excludes the “Tunbridge Wells – excluding Special Expenses” line

40. To add further context of the Council Tax increase at a local level, **Table 2** shows the charges and increases from the main preceptors since 2012/13, it is evident that Kent County Council have received additional funding for Adult Social Care and Kent Police (Police and Crime Commissioner) have received additional funding with average increases of £14.80 over the last 5 years, £4.75 for Ashford over the same period.

Table 2 - Annual increase by Preceptors and proposed 2023/24 increase

Financial Year	Ashford Borough Council			Kent County Council			Kent Police			Kent Fire		
	Annual Charge £	Increase from previous year £	%	Annual Charge £	Increase from previous year £	%	Annual Charge £	Increase from previous year £	%	Annual Charge £	Increase from previous year £	%
2023/24	181.25	3.75	2.11%	1,534.23	72.99	5.00%	243.15	15.00	6.57%	87.35	5.00	6.07%
2022/23	177.50	5.00	2.90%	1,461.24	42.48	2.99%	228.15	10.00	4.58%	82.35	1.53	1.89%
2021/22	172.50	5.00	2.99%	1,418.76	67.50	5.00%	218.15	15.00	7.38%	80.82	1.53	1.93%
2020/21	167.50	5.00	3.08%	1,351.26	51.84	3.99%	203.15	10.00	5.18%	79.29	1.53	1.97%
2019/20	162.50	5.00	3.17%	1,299.42	61.74	4.99%	193.15	24.00	14.19%	77.76	2.25	2.98%
2018/19	157.50	3.50	2.27%	1,237.68	58.86	4.99%	169.15	12.00	7.64%	75.51	2.16	2.94%
2017/18	154.00	4.00	2.67%	1,178.82	45.27	3.99%	157.15	5.00	3.29%	73.35	1.35	1.87%
2016/17	150.00	4.55	3.13%	1,133.55	43.56	4.00%	152.15	5.00	3.40%	72.00	1.35	1.91%
2015/16	145.45	0.00	0.00%	1,089.99	21.33	2.00%	147.15	2.87	1.99%	70.65	1.35	1.95%
2014/15	145.45	0.00	0.00%	1,068.66	20.88	1.99%	144.28	2.81	1.99%	69.30	1.35	1.99%
2013/14	145.45	4.78	3.40%	1,047.78	0.00	0.00%	141.47	2.79	2.01%	67.95	0.00	0.00%
2012/13	140.67	0.00	0.00%	1,047.78	0.00	0.00%	138.68	0.00	0.00%	67.95	0.00	0.00%

Medium Term Financial Plan

41. A review of the Medium Term Financial Plan (MTFP), which was presented to Cabinet in October 2023, has been undertaken following confirmation of the financial settlement and Ashford has received additional Government Grant and New Homes Bonus of £720,000. Furthermore savings of £200,000 have been identified as immediately deliverable with a pressure of £61,140 being added from the proposed Council Tax reduction. There is an additional £500,000 identified for interest payments from Ashford International Development Company in 2023/24, and while this is welcomed it is only for the development period and will drop away post 2024/25. It is recommended that all the additional funds are used to reduce the 2023/24 deficit within 2023/24 Budget.
42. There is continued uncertainty over reforms to NHB, the fair funding review and changes to business rates, this means that forecasting assumptions beyond 2023/24 remains uncertain. As information becomes available finance will update the MTFP accordingly for future presentation.
43. There are still considerable risks to the MTFP going forward especially if inflation does not come down as anticipated, which would be of concern to the Bank of England and could give way to further interest rate rises.

44. Officers will need to fully review and update the MTFP in the coming months factoring in changes identified within the financial settlement, savings already identified, saving proposals once developed, as well as updating inflation and interest rate forecasts. This exercise will enable Officers and Members to make a judgement on the saving proposals being developed and the adequacy of such proposals in closing the budget gap identified within the 2023/24 MTFP.

Recommendations (Part One)

45. The Cabinet is asked to:
 - I. Note the budget context, Government Grant and MTFP positions

PART TWO – GENERAL FUND REVENUE BUDGET

46. A summary of the General Fund budget, including a forecast of outturn for 2022/23 as at 30 September 2022, is shown at **Table 3** below. It is worth highlighting that since quarter two there has been significant progress made in reducing the 2022/23 deficit and the revised forecast is a deficit of circa £1.4m, this will be reported to Cabinet on the same agenda as this report.
47. The Overview and Scrutiny Budget Task Group scrutinised the budget during December 2022 and January 2023 and made six recommendations to Cabinet.
48. Overall the Overview and Scrutiny Budget Task group found the draft budget to be sound and deliverable, noting that this opinion is based on the deficit position being funded from reserves while savings are identified. To that point the Task Group made a specific recommendation to Cabinet that “in order to mitigate against the challenges presented by the current economic climate, a savings strategy needs to be developed to bridge the budget gap”.
49. The changes between the draft and final budget which were finalised after the task group concluded, were presented to the Overview and Scrutiny Committee before its meeting on the 14 February 2023 to ensure that the changes could be considered when reporting the Task Groups findings at the same meeting.
50. The revised general fund summary is shown below with details of the movement explained further on in this section of the report.

Table 3 - General Fund Summary

Actuals 2021/22 £	Budget 2022/23 £	Projected Outturn 2022/23 £	Detail	Budget 2023/24 £
17,520,105	16,021,440	17,683,537	Service Expenditure	19,763,060
(2,620,776)	(2,153,740)	(1,653,740)	Capital Charges & Net Interest	(734,500)
139,740	0	0	Revenue Funding of Capital Expenditure	0
275,964	282,000	282,000	Levies	325,000
601,292	1,944,200	1,856,320	Contribution to/(from) Balances	(710,850)
(3,699,900)	(4,685,000)	(4,685,000)	Retained Business Rates	(7,502,000)
(1,908,222)	(1,886,050)	(1,886,050)	New Homes Bonus	(1,662,000)
(7,755,310)	(9,037,850)	(9,037,850)	Council Tax	(8,864,210)
(39,241)	0	2,074,217		0

51. A summary of service expenditure is provided at **Appendix A** at service level, and **Appendix B** at a budget page level. Detailed budget pages will be available in the budget book for 2023/24 which will be published online following approval of the Final Budget by Full Council.

52. **Table 4** below details the contributions to and (from) reserves which form part of the proposed 2023/24 Final Budget.

Table 4 - Analysis of Contributions to/(from) Balances

General Fund Revenue Reserve	Budget 2023/24	Comments
	£'000	
General Fund Reserves	200	Service contingency for 2023/24
Provide for Maintenance of Assets	600	£100,000 for Playgrounds
Economic Growth and Risk Fund	(1,511)	To cover budget deficit in the year
Total to/(from) reserve movement	(711)	

Principal changes to draft budget

53. Following government announcements, additional work identifying savings, and consultation on the draft budget, the following changes to the draft budget have been made:-

- a) The final settlement for the New Homes Bonus was circa £526,000 higher than anticipated due to an increase in empty home being brought back into use.
- b) A new government grant guaranteeing a rise of 3% in core spending power has been awarded for £400,680.
- c) The Lower Tier Funding Grant has been rolled into the 3% funding guarantee grant reducing our forecast by £131,000.
- d) The services grant reduced by £81,620 from £198,000 to £116,380.
- e) Savings immediately deliverable from 1 April 2023 have been identified totalling £200,000.
- f) Interest on financing for Ashford international Development Company will generate additional investment income of £500,000 in 2023/24.
- g) The Rural services delivery grant increase by £10,250.
- h) The Council tax increase has been reduced from £5 to £3.75, which is a reduction from £182.50 to £181.25 for a Band D property. The net effect for the budget is a reduction in funds of £61,140.
- i) The net surplus in grant and other adjustments detailed above totalling £1,363,170 have been used to reduce the 2023/24 contribution from the Economic Growth and Risk Fund.

These movements are summarised in the table below:

Table 5 – movement from draft budget

Description	Movement £
Increase New Homes Bonus (NHB) receipt	(526,000)
New 3% Funding Guarantee scheme	(400,680)
Immediately identifiable savings	(200,000)
Increase in Rural Services Delivery Grant	(10,250)
Ashford International Development Company interest	(500,000)
Decrease Lower Tier Services Grant	131,000
Decrease Services Grant	81,620
Decrease Council tax	61,140
Decrease in transfer to Economic Growth and Risk Fund	1,363,170
Total movement from draft budget	0

Council Tax

54. The Final Budget summarised in **Table 3** includes a Council Tax increase of 3.75 (2.11%) which would result in an annual Council Tax charge of £181.25 for a band D property. The tax base setting report presented to Cabinet in October determined that the Council had 48,906 equivalent Band D properties.
55. This reduction in Council tax adds a pressure of £61,140 to the 2023/24 budget.

Council Tax Reduction (CTR)

56. In January 2020 Cabinet approved a new CTR scheme. The main feature of the new scheme was that it was to become a banded discount scheme from April 2020. The aim of the change was to simplify the scheme for residents as well as making the administration of the scheme simpler. The scheme has run smoothly for the past three years without any problems or challenges.
57. When the scheme was approved in January 2020, it was agreed that the income bands used in the scheme would uprate every year in line with the National Living Wage (NLW) rise. From April 2023 the NLW will increase from £9.50 per hour to £10.42 per hour, and the income bands used in the CTR scheme will rise accordingly.

Business Rate Relief

58. Due to the nature of the business rates system there are two ways that reliefs can be granted, either through the introduction of legislation or to allow authorities to do this locally under powers included in the localism act. Where government announce new schemes the Council is compensated.

59. In terms of the wider policy concerning discretionary rate reliefs, there was an intention during 2021/22 to review the discretionary rate relief policy introduced from April 2013. This was due to be undertaken in 2020/21 although it has been delayed due to Covid19 and pressures placed on the service and it is now anticipated for the review to happen during 2023/24 with a view to implementing a revised policy from April 2024.
60. Therefore, in view of all the above points, it is recommended that powers to establish local reliefs/discounts within the localism act are delegated to the Chief Finance Officer (Deputy Chief Executive), as in previous years.

Discretionary Fees

61. The MTFP makes an assumption that discretionary fees should be increased by an average of 16%, this is to allow for inflationary increases not built into the 2022/23 discretionary fees to be recovered. It should also be noted that some of the Council's charges, i.e. parking are not increased annually but on a triennial basis and reported separately when increased. Fees and charges proposed from 1 April 2023 at a service level are shown at **Appendix D**.
62. Although 16% might be considered a big increase, only a small percentage of fees and charges are being affected. Additionally some of the services provided by the Council are reliant on external providers and their price increases need to be passed on to ensure the sustainability of the service.
63. The Licence fees for Hackney Carriage/Private Hire is proposed to increase by around 35% from 1 April 2023 due to additional regulation and checks.
64. Building Control, Local Land Charges and the Ashford Port Health charges are retained in ring fenced accounts that aim to break even in accordance with individual regulations.
65. The budget has been built with this level of fees and charges.

Savings

66. The MTFP presented in October highlighted that the Council faced a £10m deficit over the 5 year period with a £2.6m pressure in 2023/24. The draft budget detailed a deficit of £2.9m. Since then there have been the following changes:

Draw on Reserves for Deficit	£'000
Draft Budget	2,874
Initial savings identified	(200)
Final Government Settlement	(725)
Ashford International Development Company	(500)
Decrease in Council Tax (£5 to £3.75)	61
Total	1,510

67. To address the budget deficit and ensure a strong financial position is maintained the Council will need to make considerable savings to bridge the immediate and long term budget gap, and deliver the priorities within the Corporate Plan, accepting a much narrower, affordable programme

68. As covered in the draft budget report it will be the responsibility of the Cabinet and the Management team to ensure savings are identified and delivered in a timely manner. Management need to ensure robust monitoring arrangements are in place verify the delivery of agreed savings.
69. Immediate deliverable savings of £200,000 have already been included in the budget with further savings proposals of £1.42m being identified and proposed to be delivered in 2023/24 as you can see in **Appendix O**.
70. These savings will be further developed and delivered during 2023/24 to reduce the draw on the Council's reserves. The savings proposed within **Appendix O** will be presented separately to Overview and Scrutiny Budget Task Group for consideration.
71. These saving proposals need to be developed and this was highlighted as a recommendation by the Overview and Scrutiny Budget Task Group who provided the following summary "The need for savings was clearly apparent to maintain the financial strength of the Council. Proposals were currently being developed and have been discussed with Directors before presentation to Senior Management and the current administration. The savings proposals were not currently at the stage where they could be shared with the Task Group"
72. The deficit for 2023/24 budget will be funded from the Economic Growth and Risk Fund, however, relying on reserves to close the budget gap is not a sustainable long term option for the Council. This draw from reserves will be reduced as savings come through.

Reserves

73. The Council has a good level of reserves and currently these are being held for the following purposes:
 - I. **General Fund balance**, at least 15% of the Net Budget Require to balance in year risks to the operational budget
 - II. **Recovery Project reserve** is to be allocated at the discretion of members and is used to support projects coming forward that do not fit the criteria of other reserves – this reserve is forecast to be fully utilised at the end of 2022/23.
 - III. **Climate Change Delivery Fund** will be used to support projects the support the reduction of Carbon within the Borough.
 - IV. **Improvement Delivery Fund** will be used to focus on delivering projects in the more deprived areas, and those further afield in the Borough.
 - V. **Economic Growth and Risk Fund**, this fund is held to support short and medium term risk that may arise as a result of the current economic conditions. As risks dissipate then these reserves can be redistributed. Economic risks have now materialised and this fund will be used to support the deficit within the 2022/23 financial year, and the forecast deficit within the 2023/24 budget. These funding requirements see the fund reduce from £8.4m to £4.6m at March 2024 and highlights

the unsustainable path of using reserves to balance the medium/long financial position of the Council.

VI. **Fund Future Expenditure (Risks, Legislation and Transformation)**, this reserve is to manage unforeseen risk that may come from legislative changes that could impact on the activities of the Council or funding streams, such as the New Homes Bonus and Fair Funding review. Circa £900,000 of an original £1m will remain at 2023/24 for the allocation to Transformational projects that look to make information more accessible and efficient, to absorb future capacity and improve services. This may also be a means of delivering savings within the organisation.

VII. **Provide for the Maintenance of Assets** – The Council has a significant number of general fund assets that need to be maintained to ensure they are fit for purpose and last into the future. This reserve in addition to the annual allocations and will enable appropriate maintenance of these assets.

74. A schedule of reserves is attached at **Appendix C** and a summary is shown at **Table 6** below which estimates revenue reserves of £25.4m at 31 March 2023.
75. The reserve movements only look to deal with known project expenditure and those already underway, or amounts that are committed within the 2022/23, 2023/24 budgets.
76. The reserves table below does not allow for delivery of the savings reported at **Appendix O**, therefore if the savings are delivered the call on reserves will be reduced.

Table 6 - Summary of Reserves

	Balance at 31 March 2022	Balance at 31 March 2023	Balance at 31 March 2024
Analysis of Revenue Reserves (non ring-fenced)			
Un-earmarked General Fund Reserve	2,562,000	2,812,000	2,812,000
Earmarked Reserves			
Recovery Project Reserve (now including Victoria Park)	1,093,000	0	0
Climate Change Delivery Fund	2,000,000	1,920,000	840,000
Improvement Delivery Fund	3,000,000	3,586,050	3,586,050
Economic Growth and Risk Fund	8,345,000	6,506,060	4,561,060
Fund Future Expenditure (Risk, Legislation, Transformation)	6,104,000	5,769,500	5,769,500
Provide for Maintenance of Assets	4,932,000	4,782,000	4,882,000
Provision for Discretionary Spend	25,474,000	22,563,610	19,638,610
Total reserves available	28,036,000	25,375,610	22,450,610

77. CIPFA (the principal accounting body that provides statutory advice and guidance on accounting and financial management to local government chief finance officers) issues guidance (last updated in 2014) covering the relevant legal background and importantly emphasises that Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. The advice goes on to say that a well-managed authority, for example, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. CIPFA does not consider it necessary or appropriate to quantify a minimum level of reserves; this is for Chief Finance Officers and councils to consider. The government retains a power to impose a minimum, but is only intended to be used in circumstances where it is apparent to government that a council is not acting prudently and not following advice.
78. The Council has a policy that the general fund balance should be no less than 15% of net budget requirement, for 2023/24 this will be £2,796,407. To ensure this policy is maintained the General Fund reserve balance has been increased from the Fund Future Expenditure (Risk, Legislation, Transformation) reserve.
79. The Council's ambition was for it to be self-sufficient over the life of the MTFP. This reserve strategy supports the Council's Corporate Plan and the risks highlighted in the recent financial reports, including this one which are detailed at **Appendix M**.

Budget Scrutiny and Risk

80. The Overview and Scrutiny Committee Budget Task Group has examined the detailed budget proposals and reported its findings back to the full Overview and Scrutiny Committee on 14 February 2023. The Task Group made a number of recommendations including that:-
- **Recommendation 1:** *The council's draft budget for 2023/24 is sound and deliverable (noting recommendation 2).*
 - **Recommendation 2:** *The Task Group supports the proposal to use reserves to fund the 2023/24 deficit.*
 - **Recommendation 3:** *The Task Group notes that in order to mitigate against the challenges presented by the current economic climate, a savings strategy needs to be developed to bridge the budget gap.*
81. A commentary of the risks associated with the budget is included as part of the statutory advice needed on 'budget robustness and the adequacy of reserves and is attached at **Appendix M**

Equalities Impact Assessment

82. The equality impact assessment (EIA) screening tool has been completed to identify whether the budget policy treats any group differently. The EIA assumes that individual policies and initiatives will have separate impact assessments completed by the services concerned. Therefore whilst the assessment does highlight that some areas will need further examination as these will be covered individually and overall the budget does not discriminate against any group in society.
83. Members are referred to the attached Assessment at **Appendix E**.

Recommendations (Part Two)

84. The Cabinet is asked to:
- II. Recommend the Revenue Budget 2023/24 including the net budget requirement of **£18,642,710 (excluding parish precepts)**
 - III. Recommend the level of Discretionary Fees to be levied from 1st April 2023 (as set out in **Appendix D**)
 - IV. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy
 - V. Note the summary of reserves **Table 6** and **Appendix C**
 - VI. Note the Equality Impact Assessment in **Appendix E**
 - VII. Recommend the Band D council tax at **£181.25**.
 - VIII. Cabinet support the savings schedule attached at **Appendix O** and recommends its presentation to the Overview and Scrutiny Budget Task Group for consideration.

PART THREE – HOUSING REVENUE ACCOUNT

Housing Revenue Account Budget

85. The 2023/24 position is broadly in line with the position reported to Members in the 30 year HRA business plan which was presented to Cabinet in December “Housing Revenue Account Business Plan 2022-2053.
86. **Table 7** shows an overspend of £1.1m in the HRA for 2023/24. This amount will be funded from HRA reserves at year end or loan repayments will be refinanced accordingly to maintain the minimum reserves balance of £1m as outlined in the business plan. The capital works to maintain decent homes includes de-carbonisation of existing stock to improve EPC (Energy Performance Certificate) ratings to C.
87. The HRA business plan presented to Cabinet in December forecast that the current plan remains affordable over the life of the plan, however the de-carbonisation programme and Governments decision to cap rents at 7% for 2023/24 does add some pressure on the HRA finances. The rental decision imposed by Government to increase rents below inflation reduced HRA rents by £1.065m in 2023/24, while costs have risen in line with, or in some instance above inflation, certainly around repairs and maintenance where material shortages and supply chains are still being re-established post Covid.
88. The HRA Business Plan is ambitious, with its focus to increase housing provision, this requires a significant amount of investment, not only in new builds but also acquiring existing properties and block developments, information on schemes currently being considered are covered within the capital programme shown at **Appendix G**.
89. This increase in affordable housing supply is designed to not only reduce the waiting list but also to reduce the pressure on temporary accommodation by providing homeless families with a long-term, affordable housing solution as highlighted in the HRA Business Plan presented to Cabinet in December 2022.
90. The 2023/24 budget in **Table 7** is shown in more detail, analysed to subjective level, at **Appendix F**

Table 7 – Housing Revenue Account Budget 2023/24

Revenue Budget				
Housing Revenue Account				
Actuals	Budget	Projected	Detail	Budget
2021/22	2022/23	Outturn		2023/24
£	£	£		£
(27,332,130)	(28,775,130)	(28,781,500)	Income	(30,346,700)
10,727,336	6,731,860	6,661,920	Supervision and Management	6,531,770
5,271,859	4,347,100	4,390,235	Repairs and Maintenance	5,333,360
491,658	200,610	29,260	New Builds	105,340
15,911,189	15,959,600	15,676,800	Other	19,520,830
5,069,912	(1,535,960)	(2,023,285)	Service Expenditure	1,144,600
2,081,484	6,142,000	5,223,070	Capital Works - Decent Homes	4,906,100
			Financed By:	
(2,081,484)	(6,142,000)	(5,223,070)	Contribution from Major Repairs Reserve	(4,906,100)
0	0	0	Net Capital Expenditure	0
5,069,912	(1,535,960)	(2,023,285)	Total Net Expenditure	1,144,600

Housing Revenue Account - Rents

91. In 2017 Government announced that for five years, from 2020, rents setting would be limited to CPI+1%. For 2023/24 this would mean a rent increase of 11.1%. However, as part of the Autumn Statement the Chancellor announced that the increase on rents would be capped at 7% and this has been applied for 2023/24.
92. For 2023/24 this means that the average weekly rent, for social housing, will be £102.28 (£95.16 for 2022/23). For tenants receiving housing benefit the increase will not have any cash impact as new rent levels are reviewed to ensure that they remain with the Local Housing Allowance rates. This increase will add pressure to household budgets (although supported by the 7% cap) where people are not in receipt of full benefit however the Council will continue to apply for government grants to help support those where necessary, although some council tenants could be affected by other aspects of the government's welfare reforms.
93. These HRA Business Plan includes retrofitting existing stock with more efficient and effective products to help reduce the carbon foot print of the stock. Although it is acknowledged that this is a long term replacement programme, and therefore not a benefit to all immediately, it is anticipated that these measures will help reduce the utility usage of our residents, to help reduce costs.
94. The rent increase also applies to those tenants in affordable housing, although it should be noted that affordable rents are re-based to 80% of market rent each time a new tenancy agreement is made (i.e. upon vacancy) and will be increased in line with the Government formula each year. The average rent for 2023/24 will be £158.21 (£145.35 in 2022/23).

Recommendations (Part Three)

95. **The Cabinet is asked to:**

- IX. Resolve that the Housing Revenue Account budget for 2023/24 be approved
- X. Resolve the estimated average rent increase of 7%, in accordance with government guidelines, and that rent setting for the future continues to follow guidance, set by government.

PART FOUR – CAPITAL PROGRAMME

Capital Resources and New Allocations to Projects

96. This section gives consideration to the level of capital resources that are potentially available to support priorities including the business plan and other requirements
97. Capital investment currently may be funded from:
- a) Internal resources such as capital receipts and revenue reserves.
 - b) New Homes Bonus
 - c) Prudential (external) borrowing.
 - The 2023/24 budget provides specific support to borrow £500,000 for general fund property works, with a further £2m for strategic acquisitions that must be supported by a business plan.
 - Decisions on additional borrowing will be subject to an affordability test.
 - d) Third party grants and contributions from government, other local authorities or private organisations.
 - e) Section 106 developer contributions – currently we hold contributions amounting to circa £6.9m (capital & revenue), £3.1m of section 106 has been identified to support projects in the current capital programme and is expected to be spent over the next few years on community assets such as community buildings, open space and play areas throughout the borough.

Housing Revenue Account

98. The HRA has continued to invest in both building and buying new stock, it is hoped that even with the loss of a number of properties through Right to Buy that stock numbers will continue to increase. The Capital Plan has been updated to reflect the projects presented to Cabinet as part of the HRA Business Plan Report (December 2022).
99. In addition to borrowing, HRA funding sources include:
- External contributions from Homes England
 - Capital receipts, including retained 'Right to Buy' capital receipts for 'one for one replacement'
 - Surpluses within the revenue budget

Capital Expenditure 2023/24

100. The information below is an update on the significant items detailed in the Capital Programme. Major projects which have not already been approved will be reported for approval in accordance with the Council Policies. A full list and financing of the Corporate Plan is shown at **Appendix G**.

Property Portfolio

101. Included in the capital programme is an amount set aside annually for the maintenance of property assets and the purchase of replacement IT equipment, this is to enable the required works to lengthen the lives of the assets saving future replacement costs.
102. There has been £2m set aside for strategic acquisitions which was approved in January 2014. All projects will be supported with a business plan ensuring all investments are viable.

Regeneration Projects

Vicarage Lane Car Park Redevelopment

103. Following the acquisition of the Mecca bingo hall in March 2018, the Council is still developing plans to regenerate the lower high street and the wider town centre. Phase 1 to redevelop the former Odeon building and surrounding areas has been approved to spend £8m over the next 2 years.

Newtown Works

Phase 1

104. The development has commenced with phase 1 for the conversion of the engine shed to create the education facility for the college and develop circa 300 residential units.

Phase 2

105. Works are due to commence in 2023/24 for the TV and film studios, work shop and multi storey carpark, subject to the detailed report to Cabinet. The studios will bring significant benefits to Ashford in terms of investment and job creation and will play a key role in our economy's future recovery. See **Appendix N** for further details.

Project Green

106. The facility is seeking to be as sustainable as possible through utilising heat from the ground, natural light, wind and solar power and be innovative in embracing sustainable travel plans – matching the ambitions of this Council as set out in our carbon pledge and Corporate Plan.
107. This will see the development of a 60 acre wetland park as part of this development, providing a bio diversity net gain for the scheme, carbon sequestration, enhanced flood attenuation, and nutrient neutrality credits, which will help with the wider Stodmarsh mitigation challenges the Council faces.

Corporate Projects

Carbon Neutrality

108. As part of the Council's commitment to becoming carbon neutral by 2030, a provisional amount of £10.8m has been included for the installation of solar photovoltaic systems (PV). This project underpins the Carbon Neutral Strategy in generating income from investing in carbon neutrality opportunities. Carlton Road has approval to spend £401,000 to design and build solar installation on site utilising roof space, and will be paid back through savings on electricity in approximately 7-8 years. The Stour Centre carpark has completed feasibility stage and procurement should commence April 2023.
109. The Council already has 114 PV panels in operation on domestic properties within the Housing Service, and within the Corporate Property and Projects portfolio. There are currently various sites still under review and a business case will be produced to support any bids to release of these funds at a later date.

Property Company – A Better Choice for Property

110. The Council's wholly owned subsidiary, A Better Choice for Property Limited requires financing to purchase its assets. The company's business plan is looking to develop a portfolio of 300 - 400 properties over the next 5 years. The Budget of £173m represents the total facility available to the Company with each acquisition requiring approval through the Council's Trading and Enterprise Board.
111. Currently the company has 105 units within the portfolio, made up of a mix of flats and houses of varying sizes. A Better Choice for Development Ltd. is a subsidiary of A Better Choice for Property Ltd. and has a number of strategic sites that it is looking to develop, unfortunately these have not been able to progress in the past few years due to the Stodmarsh issues and will commence at pace once mitigation can be provided.

General Fund Housing

Henwood Temporary Accommodation

112. This project is to deliver 23 units manufactured by Zedpods and be used for temporary accommodation which will be owned and managed by the Council. This development will help reduce the cost of putting homeless residents in expensive short-term accommodation which is putting a pressure on the General Fund.

Rough Sleepers Accommodation Programme

113. The Rough Sleepers Accommodation Programme (RSAP) is a scheme supported by Government Grant which originally meant the Council could purchase 20 units of accommodation for supporting rough sleepers with a variety of complex needs (including mental and physical health, those with addiction issues and others who could have offending histories). Due to difficulties in procuring suitable homes for this project the number of dwellings to be purchased has gone from 20 to 15.
114. The scheme has the opportunity to purchase properties in the right location with good proximity to support services for individuals – to ensure the best

outcomes for highly complex cases. It provides the intermediate supported accommodation within an existing rough sleeper framework to tackle levels of single homelessness and will effect real changes in the lives of individuals.

Culture and the Environment

Victoria Park

115. The budget for this project was first calculated in 2018, however costs have risen since this time, and therefore the increase in costs of £700,000 is to be expected. To offset this an allowance of £196,000 has been approved by Management Team, with a further £300,000 awarded by the National Lottery Heritage Fund, as well as £34,000 by the Contain Outbreak Management Fund (COMF). The remaining £170,000 will be funded from reserves.

Conningbrook Country Park

116. The plans for the country park went to Cabinet in February 2020. However, due to Covid the project was placed on hold, a number of stakeholders in the masterplan subsequently pulled out (e.g. the Shepherd Neame Pub). The project has now been re-commenced, therefore the masterplan is being reviewed and updated, following which a delivery programme will be established.

Housing Revenue Account Capital Programme

117. The issues at Stodmarsh continue to delay the HRA building programme, in addition to this, the current economic climate is affecting the feasibility of some projects, causing delays.

118. There are a number of Housing Revenue Account projects currently underway as well as a number of projects due to commence during 2023/24, brief outlines are below with more information contained within the HRA Business Plan which was presented to Cabinet in December:-

- The Halstow Way development (known as Brickworks) delivered 17 units of general needs accommodation in May 2022. The site was awarded just over £1m in grant from Homes England (£60,000 per unit) enabling a social rent to be set and deliver genuinely affordable homes.
- 55 Mabledon Avenue (the former Piper Joinery site) is a site the Council acquired in 2019/20. It is proposed that 20 units of general need accommodation will form the development for the site, subject to planning permission. This project is experiencing significant delays due to Stodmarsh and now due to commence in 2025/26. This development is being supported by 1-4-1 monies which are generated from right to buy receipts.
- The redevelopment of Oakleigh is experiencing significant delays as a result of the difficulties obtaining planning consent. Works were expected to start by the end 2022/23, but now delayed until 2023/24.,
- Tile Kiln Road is the site of a derelict cottage and (now demolished) agricultural barn purchased by the Council in 2019/20. Pre-planning application is being sought for 14 units of general needs accommodation.

- Monypenny & Vicarage - The vicarage and land was purchased in 2021/22 for £1.2m. This site is to be developed into providing 33 specialised and 14 general housing needs.
119. *Decarbonisation* – The HRA has identified all dwellings that do not currently achieve an EPC rating of C. To bring these dwellings up to the required standard is expected to cost around £22m. Grant funding of £5m, from the Department of Business, Energy and Industry Strategy has been secured, further funding for the next tranche of works is being applied for. This piece of work and anticipated funding has led to a saving of around £63m, compared to the original estimates. Works are expected to commence in March 2023. Street Purchases is a way the Council uses 1-4-1 receipts to buy additional HRA stock, the number of acquisitions has slowed considerably as receipts from RTB sales have reduced. The Council are not expecting to purchase any properties in 2023/24.

Recommendations (Part Four)

120. The Cabinet is asked to:
- XI. Recommend to Council that the Capital Plan for 2023/24 – 2025/26 in **Appendix G** is approved.

PART FIVE – CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY STATEMENT INVESTMENT STRATEGY, AND MRP POLICY

Capital Strategy

121. The Capital Strategy demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives. Providing a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
122. The Capital Strategy also incorporates the prudential indicators which are updated on an annual basis. They are set to a level that will allow the council to meet its Medium Term Financial Plan, accommodate the debt for HRA reform and make provision for the Council's Capital Programme ensuring it is affordable, prudent and sustainable.
123. This informs the recommended "Affordable Borrowing Limit" as shown under the heading 'Authorised Limit for External Debt'. The council must have regard to the prudential code when setting the Affordable Borrowing Limit. This essentially ensures that our total capital investment remains within sustainable limits as defined by the Council, and in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.
124. The Capital Strategy recommended for 2023/24 is attached at **Appendix H**.

Treasury Management Strategy

125. The Council adopted the CIPFA Code of Treasury Management 2017 which requires the Authority to approve a treasury management strategy before the start of each financial year.
126. The code provides a framework to ensure that the Council gives appropriate consideration to its Borrowing and investment activities and sets appropriate controls commensurate with the Council's risk appetite.
127. A Treasury Management In The Public Services: Code of Practice and Cross-sectoral Guidance Notes (2021 Edition) was soft launched in December 2021 and the Council will adopt the guidance before for 2023/24.
128. As part of a proactive approach to treasury management officers consider both investment opportunities and also the opportunities for debt restructuring to benefit from discounts offered on existing debt and lower interest rates. As at 31 December 2022 the Council had £112.9m of borrowing exclusively relating to HRA and £91m relating to general fund capital investment, however it should be noted that some of the debt currently within the general fund is for HRA internal borrowing and a recharge of borrowing costs will be made at year end accordingly. The Council had investments with a fair value of £40.4m at this time, of which £30.7m were strategic long term investments.

129. In 2023/24 the Council's General Fund Net Interest on Borrowing and Investments is forecast to have a net deficit of circa £535,000, in 2022/23 a net surplus of £1.684m was reported. The movement of £2.2m relates to significant increases in the costs of debt to the Council that has increased from 0.10% to 4% within the year, an increase of 3,900%.
130. Behind the headline numbers there has been an increase in investments income of circa £856,000, this is largely due to £500,000 of investment income from funding to Ashford International Development Company for the New Town Works Development, and £175,000 increase in interest on cash balance due to increased interest rates, although this only marginally supports the increased costs of borrowing.
131. The external interest payable budget has increased by circa £3.08m representing the increase in interest rates. It was intended that further long term placements would be taken in 2022/23 (similar to those taken in July 2021) but the market was incredibly volatile during the year, especially around the changes to political leadership at Government level and the opportunity did not emerge.
132. The Council's long held strategy of borrowing short term to maximise opportunities from incredibly low interest rates, has now switch and the strategy will be to keep borrowing short until interest start to fall in 2024. The Council in the meantime will further reduce average borrowing duration, and in some instance only borrow for period of one week where appropriate. This strategy has been developed in 2022/23 and has help manage increasing borrowing costs. Officers are continually evaluating opportunities to reduce borrowing and take advice on all investment and borrowing decisions with its external advisors Arlingclose.
133. The proposed Treasury Management Strategy Statement for 2023/24 is attached at **Appendix J** (it is a requirement to review this annually).

Investment Strategy

134. The Investment Strategy focuses on the Council's support for local services by lending to or buying shares in other organisations and service investments (commercial investments) where the generation of income is the main purpose, although the Department of Levelling up, Housing and Communities (DLUCH) defines property to be an investment that is held primarily or partially to generate a profit.
135. The Investment Strategy for 2023/24 is attached at **Appendix K**

HRA Debt Pools

136. The regulations allow councils to determine the number of debt pools (one, two or three) it wishes to operate. A 'two-pool' approach has been adopted; loans are split between the HRA & GF and new loans are added to each pool as required. Interest expenditure on external borrowing attributed to the HRA is charged directly to the HRA. Interest expenditure on external borrowing attributed to the General Fund will be charged to the General Fund.

137. Where the HRA or GF has a surplus cash balance which allow either account to have external borrowing below its level of CFR (internal borrowing), the rate charged on this internal borrowing will be based on the average rate of interest earned on cash balances for the financial year.

Annual Minimum Revenue Provision Policy Statement

138. Each year the council must agree a statement on its policy for making a minimum revenue provision (MRP) (set aside for debt repayment).

139. There are four options available to the council as set out below:

- Option 1: Regulatory Method (4% borrowing requirement)
- Option 2: Capital Financing Requirement (CFR) Method (4% of non-housing borrowing requirement)
- Option 3: Asset Life Method (based on an annuity with an annual interest rate equal to an appropriate PWLB rate for the year of expenditure)
- Option 4: Depreciation Method (dependent on depreciation policy)

Proposed MRP Policy

140. Only options 3 and 4 can be applied to new capital expenditure, with Option 3 the most practical to adopt and a better fit for the Council's borrowing requirements.

141. In relation to option 3 there are two methods under this option for estimating the MRP requirement are,

- a) based on equal instalments over the useful life of the asset, and
- b) based on an annuity repayment based on an appropriate annual interest rate.

142. The Council has previously adopted option 'a', (pre 2017/18) but now uses option 'b' as this more appropriately matches the MRP expense with the cash flows of the assets going forward.

143. No MRP is payable on the Loans to wholly owned Council companies as these are made on an annuity basis where the principal element of the loan is used to repay the debt in lieu of MRP (if the Property Company sells assets a voluntary MRP contribution to the value outstanding will be made).

144. MRP in respect of PFI (Private Financing Initiative) and leases brought on to the balance sheet will match the annual principal repayment for the associated deferred liability. This is a mandatory requirement, although in this instance does not affect the council's net expenditure.

145. The Council had the ability to use bespoke MRP policies where they are deemed prudent, any bespoke MRP policies considered will be reported through Council as necessary.

146. The MRP Policy for 2023/24 is attached at **Appendix I**.

Recommendations (Part Five)

147. The Cabinet is asked to:

- XII. Recommend the Capital Strategy is approved as set out in **Appendix H**.
- XIII. Recommend that the MRP Policy **Appendix I** and the Treasury Management Strategy Statement at **Appendix J** and the Investment Strategy at **Appendix K**

PART SIX –

Exceptional Circumstances Policy

148. An Exceptional circumstances Policy has been created by Ashford Borough Council to assist persons who have applied for Council Tax Reduction and who are facing 'exceptional circumstances'. This is to provide further assistance where an applicant has made a claim for Council Tax Reduction but do not qualify for support or even with support are unable to meet their Council Tax liability.
149. Exceptional circumstances falls within S13(A)(1a) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme.
150. The full policy can be found in **Appendix L**

Recommendations (Part Six)

151. The Cabinet is asked to:
 - XIV. Approve the ABC Exceptional Circumstances Policy as outlined in **Appendix L**

PART SEVEN – ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Background

152. **The council has a legal duty to set a balanced budget and must take all reasonable factors into account when doing so. Under Section 25 of the Local Government Act 2003 the Chief Financial Officer (the Deputy Chief Executive) has a duty to advise the council about the robustness of the budget and the adequacy of the council's reserves. This section contains that advice.**
153. This section needs to be read against the wider context contained in the budget. Cost pressures are not being offset by increased government funding or by relaxing controls on council tax setting or on statutory fees and charges. Therefore the Council is faced with using reserves in the short term but cutting costs and ultimately services in the medium term to bring expenditure back in line with resources.
154. The report above contains a savings schedule with proposals to reduce the cost base by £1.5m closing the budget gap. These savings proposals present a significant shift in the medium term financial plan outlook, and whilst do not completely bridge the forecast gap they are a material step in the right direction.
155. It will take time to deliver these savings, and the budget has been drafted drawing on reserves to close the gap with the expectation that the savings will reduce the amount drawn from reserves at the end of the year. This will require a degree of focus to ensure that these initiatives are delivered and these will need to be reported through to members to ensure that there is transparency and accountability in the delivery process.
156. As Chief Financial Officer I support this approach, reserves were established for just such a purpose; but the Council's reserves are a finite amount and can only be used once.
157. One area where the pressures are still to be understood are in two major income streams, Council Tax and Business Rates. As Government support from Covid fully unwinds for businesses, and rising energy prices and high inflation generally start to hurt both businesses and residents alike, there is a risk that we will see increase level of non-payment and hardship which will affect the level of funding that the Council Receives.
158. Business rates has a significant risk (as well as those highlighted above) in that the Government review which has been ongoing since 2016 has now been scrapped. As part of a future review there will need to be a reset of the Business Rates baseline that will see Ashford lose growth made over recent years this could be in the region of £5m.
159. Other risks to budget are around contracted services and capital works, the Council is already seeing increases in capital contracts as a result of increasing raw material costs, supply issues, increased energy costs, and shortages in the labour market which is resulting in cost pressures being passed on. This will also flow through into more operational contracts such as

software licences and consultancy services. With inflation not expected to return to target until the end of 2023, suppliers will seek to pass these costs through to the authority and price these rises into new contracts.

160. For the remainder of this parliament there will be single year financial settlement from Government using the current methodology. The information drawn from the 2023/24 provisional settlement leaves considerable uncertainty around funding moving beyond 2024/25. There is a strong expectation that government will launch a consultation process on funding allocations within the sector and Ashford does not represent a priority area for funding, therefore we can expect a challenging outlook for funding in the medium term.
161. The planned reforms of New Homes Bonus funding continue to be delayed and with no further legacy payment to be received there is a possibility that this could be abolished after 2023/24, and this has been reflected in the MTFP accordingly. The Council will monitor future developments and will actively participate in any consultation. NHB funds previously funded corporate projects, an alternative means to funding projects will need to be found.
162. For prudence the Council's Medium Term Financial Plan continues to reflect government formula grants to be zero, although in future years the Council may need to incorporate a negative revenue support grant (a payment to Government) although this is likely to be scrapped as part of the comprehensive spending review. The MTFP also makes no further provision for NHB or any perceived replacement. The plan relies on the council growing its income base from other sources including:
 - I. growing retention of business rates under the government's local retention scheme
 - II. new revenue from targeted housing and property investments.
 - III. Inflationary increases in fees and charges
163. The Plan also assumes increases in Council Tax at the maximum of £5 or 2% per annum whichever is the maximum. The latter assumption to increase Council Tax by the maximum amount permitted is in keeping with Government's expectations when setting the Council's base line need for funding.
164. Financial modelling will continue to assume that Council will increase Council tax by the maximum permitted from 2024/25 which is now a maximum of 2.99% or £5 (which is the current cap) as increased within the Government financial statement.
165. For 2023/24 the Current Administration has recommended an increase of £3.75, a reduction of £1.56 from the maximum permitted which will mean foregoing additional income of £76,000 for 2023/24, and £380,000 over the life of the MTFP.

166. As the Chief Financial Officer I am obliged to highlight that given the Council's financial deficit, this recommendation is detrimental to the financial strength of the Council and will place additional pressure on reserves moving forward or increase the need for savings. Members will need to balance the wider implications this reduction in resources will have to services against the benefit £1.56 will give the people of the borough.
167. The financial planning has been comprehensive leading up to this point and reports have been presented at various Cabinet meetings on the HRA Business Plan, Medium Term Financial Plan and Draft Budget which has allowed members to comment and engage in the financial planning of the organisation. The latter of these reports was the basis for a comprehensive review by the Council's Overview and Scrutiny Committee and its Task Group who reported in summary through its recommendations that "*The council's draft budget for 2023/24 is sound and deliverable (noting recommendation II)*" Recommendation 2 "*The Task Group supports the proposal to use reserves to fund the 2023/24 deficit*". The task group also commented on the need to develop a savings strategy going forward to bridge the budget gap. The budget has also been put out to public consultation and received a number of responses from the public.
168. The Overview and Scrutiny Budget Task Group were not aware at the time of their reviews that the recommended increase in Council Tax would reduce to £3.75, therefore a special briefing session before full overview and scrutiny committee will highlight this change, and other changes between the draft and final budget recommendation.
169. Working with Cabinet the Management Team have developed a savings plan to balance the budget, if agreed this will reduce the use of reserves in the 2023/24 budget and in the MTFP. At the time of writing the O&S Budget Task Group have not been involved in development of these proposals and it is recommended that these proposals, once agreed by the Cabinet are presented to the Task Group for scrutiny.
170. This evidence clearly demonstrates that the council and its management team give serious regard to financial planning, to the management of resources, and to assessments of financial and operational risk.

Robustness

171. Robustness involves three considerations:
- I. consideration of the **context** in which the budget is set and how that context is understood, may develop, and therefore influence budgetary issues,
 - II. consideration of the various **components** of the budget, and
 - III. **weighing-up** all factors and taking a balanced view.

Context

172. This is the second budget that has been set to deliver the Council's new corporate plan. This outlines an ambitious vision for the Borough and includes an action plan with a number of commitments that the Council will seek to deliver. **Not all of the projects within the plan are costed and resourced and overall resourcing this agenda will be a challenge** to the Council to achieve this whilst staying within budgeted resources.
173. Choices will need to be made and areas prioritised for resource over another to either maintain service delivery or corporate plan delivery. This is not a new challenge and something that all Councils do, but it needs to be recognised that the events of the last few years and especially this past year have significantly reduced our organisational capacity.
174. Comprehensive advice has been provided to members concerning our financial forecasts and their underlying assumptions. Final assumptions are the results of reviews with the cabinet over the summer, and a review by the Overview and Scrutiny Committee's budget task group.
175. As with any budget, and particularly in the current climate there are uncertainties as no budget can capture all future risks, however there is a corporate contingency of £200,000 within the budget for general unforeseen pressures.
176. This budget is set in a continued period of uncertainty in geopolitical events. High inflation, and interest rate policy to counter this, has taken centre stage with significant increases in utility costs which are now feeding into everyday consumables leading to a cost of living crises for organisations and individuals.
177. The new higher level of borrowing costs will flow into future MTFP assumptions. Equally, this rise in rates and economic recovery will conversely, but to a lesser extent, increase returns on treasury investments.
178. The current economic conditions are having a mixed impact on the council property portfolio, the industrial units and Ellingham and Carlton Road continue to have good demand, but we have already seen units vacated at Elwick Place as the hospitality sector is put under pressure.
179. The Housing team is working on solutions to ease temporary accommodation pressures as there has been an increase in the number of people presenting as homeless, especially single applicants. The Housing Team is also looking to develop more Social Housing stock to free capacity for move on accommodation and reduce the housing waiting list. Ultimately the Stodmarsh issue casts a shadow on this issue as it limits the supply of new housing being delivered , intensifying competition for the existing stock.

180. The continued interruption in awarding Planning Permissions due to water quality issues at Stodmarsh Nature Reserve has led to considerable work is being undertaken by the Council and Developers to identify mitigation strategies to overcome this problem and a solution is anticipated within 2023/24.
181. With risks to manage within this budget (and the associated Medium Term Financial Plan) a considered view is taken of both. The Council has previously re-profiled reserves to create two distinct reserves which look to address the economic in year risks to budgets, the Fund future expenditure (Risk, Legislation, and Transformation) reserve, and the Economic Growth and Risk fund which is to support the MTFP over the medium term and the budget deficit for 2023/24. These reserves are forecast to be £5.8 and £6.5m respectively as at 31 March 2023. As previously referenced though reserves are limited and should only be used in exceptional circumstances to balance budget the budget while longer term plans/savings are developed.
182. It also recognises the support reserves play in supporting the Council's commercialisation agenda as it matures and is susceptible to economic conditions. Given the pending reform of New Homes Bonus scheme, and the need for it to be used to support the base budget, the previous policy of not budgeting to use new homes bonus income for new projects until income is confirmed is to be maintained.
183. The inclusion of the Port Health Authority (although much reduced) in this budget needs to be considered, whilst this presents an opportunity for the borough in terms of its own budget and the local economy, in the short term the uncertainty in terms of understanding commencement date of checks and their nature, levels of demand, and consequently the resources necessary to service this demand is a risk.
184. Government have funded the set-up costs and have provided additional grant to support losses in 2022/23 due to delays in opening the facility, but continue to resist calls to underwrite the business during the first years of operation as demand settles and the trading relationship with the EU settles. Officers have held discussions with Officials on this matter and receive assurances that the Government will support these risks, and our planning continues on that assumption.
185. Government is proposing to set out a new Target Operating Model for border checks in March which will provide a new basis for our planning.
186. During 2023/24 the Council will continue to review the effects arising from the expanded use of the council's prudential borrowing to support asset purchases in light of the new interest rate environment, including the expansion of the HRA and other investments, including further lending to the council's subsidiary companies. Appropriate business planning and governance arrangements are in place to ensure that opportunities and associated risks are evaluated as part of the decision-making processes. It is important these processes be maintained.

187. **With the 2023/24 budget being balanced from the use of the Economic Risk and Growth fund, it is imperative that Officers, Management and Members fully understand and support the need to make savings to balance the MTFP going forward. This will require tough decisions to be made around what the Council can, and cannot deliver and may need to assess what is a statutory, and what is a non-statutory services. Equally the Council will have to consider the viability of projects especially where they are not income generating or at least self-financing, unless there is a compelling social, economic or regenerative benefit.**
188. The need to make significant savings and uncertain funding streams have reduced the Council's budgetary flexibility and ability to respond to sudden changes in spending power. This is a particular threat when we consider regulatory changes that could be imposed upon the Council with short notice, for example the Fair Funding review, Spending Review, further guidance on borrowing and investment regulations, and reform of New Homes Bonus etc. To manage these risks the Council will need to continue to be actively involved in consulting with government on policy changes.

Key components of the budget

189. Detailed advice is set out in **Appendix M**, which considers the budget across a number of key components. Additionally, members have received advice and recommendations from the Overview and Scrutiny Committee Budget Task Group which were presented to the Overview and Scrutiny committee on the 14 February 2023, after considerable work scrutinising the draft budget it was found to be sound and deliverable, noting the need to use reserves to balance the budget, and the
190. The Overview and Scrutiny Budget Task Group focused on a number of key themes in forming their opinion which are identified below:-
- I. The council's reserves positions and forecast
 - II. Details on the borrowing portfolio and the expected borrowing interest rate increases
 - III. Housing Revenue Account Maintenance Programme
 - IV. Homelessness provision and housing options
 - V. The risks around the maintenance of assets.
 - VI. Risks linked to the commercial property portfolio.

191. From the above areas of coverage listed above cabinet were asked to note, and be advised of a number of matters arising although none of the formal recommendations have direct financial implications. It was also felt that presentation such as the one provided around Housing Maintenance would be of benefit to wider members to help provide greater insight into the operation of the Housing Team.
192. The full report on the review of the Draft Budget was reported to, and can be found at Agenda item 4d of the Overview and Scrutiny Committee dated 14 February 2023.

Adequacy of Reserves

193. Section Two covers the reserves position with a detailed forecast included in **Appendix C**.
194. The proposed policy position is that reserves need to be maintained at adequate levels, with the **un-earmarked general fund reserve** maintained at 15% of net general fund revenue spending.
195. For 2023/24 this amounts to a minimum unallocated reserve requirement of circa £2.796m which is in the reserve. In addition to the General Fund Reserve, the Council also has reserves with two significant reserves focusing on economic pressures to in year budgets but also to address the risk in the MTFP. These reserves were covered in the context section of Part 7 of this report.
196. Earmarked reserves (excluding section 106 developer contributions and S31 funding for the collection fund deficit), after planned drawings are expected to be in the region of £22.5m as at 31 March 2023, a reduction of circa £3m since 31 March 2022, this is largely due to the need to fund the 2022/23 deficit from reserves, Support for Tenterden Leisure Centre, and a draw on the Maintenance of assets reserve.
197. **Overall the advice is the council has adequate levels of reserves to support the budget deficit for 2023/24 other requirements for the coming year and future liabilities. However this is not an appropriate long term strategy.**
198. As ever reserve levels need close management to ensure they remain adequate and that longer term MTFP plans for resilience are sustainable. At the heart of this is a simple equation, the more spent balancing the budget deficit reduces resources available to deliver corporate projects.

199. At the moment the level of risk and uncertainty leads me to the conclusion that we need to immediately develop and plan implementation of savings to balance the MTFP, and then adopt a prudent approach to allocating reserves for spending, keeping this position under review whilst we develop a clearer understanding of how the longer implication of the current economic will impact corporate resources, especially if we enter into recession.

Monitoring and Review

200. Our budget monitoring will continue to highlight to Cabinet and Management Team approved movements in the use of reserve, equally savings proposals will be reported as and when appropriate to provide confidence and demonstrate that action to bridge the budget gap is being taken.

Capital Resources

201. On the capital side General Fund capital receipts (cash from asset disposals) remain fairly limited with reduced scope for new general fund commitments that are unsupported by income returns to offset the borrowing costs.
202. Officers will continue to focus on optimising the value of our assets, though some priority will be given to achieving greater revenue returns where achievable as an alternative to outright sales. The council is also intending to continue to make use of its prudential borrowing power to pursue opportunities that add economic and regenerative benefits to the Borough, although the returns need to support financing costs. Projects were previously supported by New Homes Bonus Receipts, however, as this scheme has no further legacy payments due, and no alternative scheme is yet to be introduced, new ways to fund projects will need to be identified.

Weighing-up

203. This budget is developed with substantial external influences in flux, there was political leadership changes, rising inflation which has remained high for longer than forecast, interest rates increasing from record lows to 4% within a year of war in Europe following Russia's invasion of Ukraine. This is on the back of dealing with the global pandemic in which Government spent considerable sums to support the economy which have now turned into significant debts, before considering the costs of any further cost of living support schemes, and more recently settling ongoing disputes around public pay. Overall this creates uncertainty over the future of government funding which needs to start saving/raising money to repay this increased level of national debt. **Appendix M** and the Overview and Scrutiny Committee's endorsement, highlight that the approach to use the Economic Growth and Risk Fund is appropriate as a short term measure while robust savings proposals are developed.
204. The Council does have an ambitious agenda to deliver and a limited capacity which will mean that choices will need to be made and work areas prioritised or reserves used to buy in additional capacity, equally some projects may need to be delayed.

205. Supported by our strong governance of financial management and the council's commitment to deliver sustainable longer-term savings to balance the deficit with the MTFP, and utilising reserves to fund the deficit in 2023/24, members can be confident this budget is robust.
206. **Appendix M** and the Overview and Scrutiny Committee's review highlight risks should be manageable through this proposed budget and the decision-making processes in place. The Council's reserves remain reasonably healthy although known drawdowns to support 2022/23 and 2023/24 weaken this position and limit the Councils ability to cushion unexpected future shocks.
207. Supported by our strong processes of financial management and the council's commitment to deliver sustainable longer-term positions, members can be confident this budget is robust.

Recommendations (Part Seven):

208. The Cabinet is asked to:

XV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves, as set out in **Appendix M**

Equalities Impact Assessment

209. Members are referred to the attached Assessment at **Appendix E**.

Consultation Undertaken

210. A summary of the budget proposals were available for consultation from the end of December through to 17 February 2023. The consultation was promoted through the Council's online media platforms and posted on the council's website for general access.
211. Consultation with the public and the business community has taken place and the results will be reported to this meeting.

Other Options Considered

212. The Council has a statutory responsibility to deliver a balanced budget and this report sets out how that can be delivered. The composition of the budget can be 'changed'; and that is why the draft budget is consulted upon through the Overview and Scrutiny Budget Task Group and wider stakeholders.
213. There are no other options than to deliver a balanced budget.

Reasons for Supporting Option Recommended

214. This budget has been built within the financial parameters as determined affordable and sustainable as per the MTFP presented to Cabinet in October which were carried through into the draft budget.
215. The draft budget has been approved by Cabinet and following comprehensive scrutiny by the Overview and Scrutiny Budget Task Group is to be considered sound.

Next Steps in Process

216. If supported the Budget for 2023/24 will be presented to Full Council for approval.

Portfolio Holder's Views

217. There has been a significant change in the economic landscape over the past year which has resulting in high inflation, increasing interest rates and a cost of living crisis. This is a time of increased cost for businesses within the borough, residents, and the Council which is not protected from these external factors.
218. As a consequence of the rapidly changing environment, the Council's previous financial strength has been stressed with the MTFP forecasting a £10m shortfall over the next 5 years, with £2.6 in 2023/24.

219. The deficit for 2022/23 has been managed down to £1.4m through new commercial income streams (although these are time limited) and increased Government Funding. However, as identified in this, and other reports it is imperative that the Council's Administration, in conjunction with Management Team deliver savings over the next few years to close the financial deficit within the MTFP.
220. While I support the use of reserves to fund the 2023/24 deficit, this is not a sustainable long term option. I acknowledge the work done by the Overview and Scrutiny Budget Task Group who concluded that the budget was sound and deliverable, using the Economic Growth and Risk Fund, but as with myself note that this can only be a short term measure while savings are identified and delivered.
221. The Council has a proven track record of delivering, and through digitalisation, transformation and new projects that bring growth to the borough, and financial returns to the Council, I am comfortable that this budget is deliverable, and more importantly the savings required will be identified, programmed in a timely manner, and delivered.

Contact and Email

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LIST OF APPENDICES

Part Two	A	Summary of Expenditure
	B	Service Expenditure
	C	Analysis of Reserves
	D	Discretionary Fees
	E	Equality Impact Assessment
	O	Proposed Budget Savings for the 2023/24 financial year
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	K	Investment Strategy
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Part Seven	M	Robustness of Estimates and Adequacy of Reserves

REVENUE BUDGET				
SERVICE SUMMARY				
Actuals 2021/22 £	Budget 2022/23 £	Projected Outturn 2022/23 £	Service	Budget 2023/24 £
2,401,462	2,330,930	2,185,675	Finance and IT	3,097,440
459,471	630,340	611,330	HR, Customer Services, Comms and Digital	660,810
1,230,828	1,258,790	1,658,174	Housing	1,531,120
1,100,645	761,160	940,876	Safety Wellbeing and Port	1,379,940
6,519,565	5,266,170	5,792,898	Environment, Property and Recreation	6,757,090
2,782,453	2,356,110	2,682,144	Planning and Development	2,636,170
568,344	935,400	1,388,660	Corporate Management Costs	833,600
656,187	629,790	675,321	Head of Economic Development	776,190
1,387,271	1,442,240	1,421,519	Head of Performance and Policy	1,677,140
413,879	410,510	326,940	Solicitor to The Council and Monitoring Officer	413,560
17,520,105	16,021,440	17,683,537	Service Expenditure	19,763,060
(2,620,776)	(2,153,740)	(1,653,740)	Capital Charges & Net Interest	(734,500)
139,740	0	0	Revenue Funding of Capital Expenditure	0
275,964	282,000	282,000	Levies	325,000
601,292	1,944,200	1,856,320	Contribution to/(from) Balances	(710,850)
15,916,325	16,093,900	18,168,117	ABC Budget Requirement	18,642,710
			Income	
(2,592,133)	(485,000)	(485,000)	Government Grant	(614,500)
(3,699,900)	(4,685,000)	(4,685,000)	Retained Business Rates	(7,502,000)
(1,908,222)	(1,886,050)	(1,886,050)	New Homes Bonus	(1,662,000)
(7,755,310)	(9,037,850)	(9,037,850)	Council Tax	(8,864,210)
(39,242)	0	2,074,217		0

General Fund Draft Budget 2023/24				
Actuals 2021/22 £	Budget 2022/23 £	Projected Outturn 2022/23 £	Department	Budget 2023/24 £
			Assistant Director of Finance and IT	
(131,434)	74,680	(37,690)	Accountancy	46,860
730,063	836,890	824,980	Benefits Administration	942,560
77,245	327,130	334,340	Council Tax Collection	410,220
653,291	(275,000)	(275,000)	Housing Benefits Payments	(250,000)
(150,748)	29,380	29,380	Miscellaneous Expenditure	28,840
(106,125)	(78,620)	(72,860)	Nndr Collection	(69,110)
974,028	1,221,100	1,221,100	Non-Distributed Costs	1,345,280
91,475	80,790	68,210	Exchequer	97,980
11,443	1,900	1,560	Debtors/Debt Recovery	(6,290)
90,392	26,650	(16,410)	Ict	32,470
8,108	50	13,050	Telephony	20
229,225	169,950	180,580	Corporate Management	210,660
(75,502)	(83,970)	(85,565)	Contracts & Procurement	307,950
2,401,462	2,330,930	2,185,675		3,097,440
			Assistant Director of HR, Customer Service and Communications	
(24,163)	18,710	6,250	Visitor & Call Centre	10
9,867	158,100	149,130	Human Resources	142,760
473,767	453,530	455,950	Communications & Marketing	518,040
459,471	630,340	611,330		660,810
			Assistant Director of Housing	
49,715	(30,360)	(21,860)	Project Delivery Team	130
25,452	17,330	16,540	Gypsy Site - Chilmington	33,710
869,713	963,460	1,368,094	Housing Options	1,209,820
181,419	184,590	180,120	Private Sector Housing	197,290
104,529	121,790	115,280	Housing Strategy And Enabling	90,170
0	1,980	0	Refugee Project	0
1,230,828	1,258,790	1,658,174		1,531,120
			Assistant Director of Safety Wellbeing and Port Services	
0	0	(120,000)	Ashford Port Health	0
(455)	(10)	(10)	Insurance	(10)
(162,265)	(574,450)	(412,310)	Parking & Engineering	(372,180)
534,879	547,930	632,351	Environmental Health	688,870
728,486	787,690	840,845	Community Safety,Amc,Licencing	1,063,260
1,100,645	761,160	940,876		1,379,940
			Assistant Director of Environment, Property and Recreation	
(49,029)	(20,150)	91,491	Facilities Management	73,740
321,745	50,910	57,624	Property Building Services	28,660
75,166	172,720	203,475	Commercial Projects	187,180
92,704	125,590	(31,230)	Street Scene	95,170
3,207,322	3,155,960	3,601,840	Refuse,Recycling,Street Clean	5,109,090
1,764,521	2,018,720	2,069,445	Grounds Maintenance	2,054,530
(1,775,730)	(2,069,470)	(1,916,201)	Estates	(2,078,210)
2,882,866	1,831,890	1,716,454	Recreation	1,286,930
6,519,565	5,266,170	5,792,898		6,757,090

General Fund Draft Budget 2023/24				
Actuals 2021/22 £	Budget 2022/23 £	Projected Outturn 2022/23 £	Department	Budget 2023/24 £
			Assistant Director of Planning and Development	
60,289	114,890	95,206	Building Control	143,080
1,634,251	1,025,180	1,452,815	Development Manager	1,280,760
(1,763)	3,060	4,039	Land Charges	0
13,988	12,550	13,836	Planning Administration	(16,700)
1,075,688	1,200,430	1,116,248	Strategic Planning	1,229,030
2,782,453	2,356,110	2,682,144		2,636,170
			Corporate Management Costs	
(52,407)	70	70	Audit Partnership	(30)
552,797	848,040	1,302,530	Strategic Corporate Costs	833,630
67,954	87,290	86,060	Office Of The Leader	0
568,344	935,400	1,388,660		833,600
			Head of Economic Development	
185,153	162,590	160,750	Tourism & Heritage	176,010
8,505	0	0	Cultural Projects	0
462,529	467,200	514,571	Economic Development	600,180
656,187	629,790	675,321		776,190
			Head of Performance and Policy	
0	1,890	(161)	Climate Change	108,570
335,051	345,860	345,860	Single Grants Gateway	345,610
745,065	787,170	828,430	Democratic Representation	914,240
59,322	64,630	65,970	Mayor	61,970
247,834	242,690	181,420	Policy And Performance	246,750
1,387,271	1,442,240	1,421,519		1,677,140
			Solicitor To The Council And Monitoring Officer	
401,321	417,240	408,390	Electoral Services	457,630
12,558	(6,730)	(81,450)	Legal	(44,070)
413,879	410,510	326,940		413,560
17,520,105	16,021,440	17,683,537	Net expenditure on Services	19,763,060
			Other Items	
(2,620,776)	(2,153,740)	(1,653,740)	Capital Charges & Net Interest	(734,500)
139,740	0	0	Revenue Funding of Capital Expenditure	0
275,964	282,000	282,000	Levies & Precepts	325,000
601,292	1,944,200	1,856,320	Contributions to/(from) Reserves	(710,850)
15,916,325	16,093,900	18,168,117	ABC Budget Requirements	18,642,710

Analysis of Estimated Reserves

Analysis of Revenue Reserves (non ring-fenced)	Balance at 31 March 2022	2022/23 Movement		Balance at 31 March 2023	2023/24 Movement		Balance at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Un-earmarked General Fund Reserve	2,562		250	2,812			2,812
Earmarked Reserves		From Reserve	To Reserve		From Reserve	To Reserve	
Recovery Project Reserve (now including Victoria Park)	1,093	(1,093)	0	0	0	0	0
Climate Change Delivery Fund	2,000	(80)	0	1,920	(1,080)	0	840
Improvement Delivery Fund	3,000	(1,300)	1,886	3,586	0	0	3,586
Economic Growth and Risk Fund	8,345	(2,639)	800	6,506	(2,145)	200	4,561
Fund Future Expenditure (Risk, Legislation, Transformation)	6,104	(335)	0	5,770	0	0	5,770
Provide for Maintenance of Assets	4,932	(750)	600	4,782	(500)	600	4,882
Provision for Discretionary Spend	25,474	(6,196)	3,286	22,564	(3,725)	800	19,639
Total reserves available	28,036	(6,196)	3,536	25,376	(3,725)	800	22,451

DISCRETIONARY & STATUTORY FEES 2023/24

Charge for the Port Health Services Border Control Post Sevington

Item	Description/Comments	VAT Indicator	Charge 2021/22	Charge 2022/23	Charge 2023/24	Increase / Decrease on 2022/23
			£	£	£	%
Common Health Entry Document (CHED-P) - Products of Animal Origin	All Products					
	Up to 6 tonnes	NB	52.12	54.00	63.00	16.67%
	7-45 tonnes (cost per tonnes)	NB	8.53	9.00	10.00	11.11%
	46 tonnes and over	NB	397.87	410.00	476.00	16.10%
	All Products from New Zealand					
	Up to 6 tonnes	NB	40.39	47.00	55.00	17.02%
	7-45 tonnes (cost per tonnes)	NB	6.60	8.00	9.00	12.50%
	46 tonnes and over	NB	308.84	358.00	415.00	15.92%
	Bulk fishery products and feed of animal origin or by-products					
	Up to 500 tonnes	NB	568.40	585.00	679.00	16.07%
	Up to 1,000 tonnes	NB	1,136.79	1,171.00	1,358.00	15.97%
	Up to 2,000 tonnes	NB	2,273.59	2,342.00	2,717.00	16.01%
	More than 2,000 tonnes	NB	3,410.36	3,513.00	4,075.00	16.00%
	Intensified Official Controls, Enhanced Checks (i.e Brazil meat) and Protective Measures					
	Risk category II products (30%)	NB	60.96	63.00	73.00	15.87%
	Risk category III products (15%)	NB	74.02	76.00	88.00	15.79%
	Risk category IV products (5%)	NB	82.72	85.00	99.00	16.47%
	Risk category V products (1%)	NB	86.20	89.00	103.00	15.73%
	If sampled					
	Admin Fee	NB	87.08	90.00	104.00	15.56%
	Lab Fee - Assigned by Lab	NB	AT COST	AT COST	AT COST	

DISCRETIONARY & STATUTORY FEES 2023/24

Charge for the Port Health Services Border Control Post Sevington

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
	Transits through the community					
	Minimum Fee	NB	87.08	90.00	104.00	15.56%
	Per additional quarter hour	NB	21.76	22.00	26.00	18.18%
	Admin for CHED's not presented on IPAFF's					
	Per CHED entered	NB	10.30	11.00	13.00	18.18%
	Photocopy document	NB	1.03	1.00	1.00	0.00%
	Late notification fee					
	Per CHED not submitted before the arrival of the cargo	NB	86.52	89.00	103.00	15.73%
	Non compliance charge					
	Per rejected consignment	NB	126.89	131.00	152.00	16.03%
Common Health Entry Document (CHED-D) - High Risk Non Animal Origin	Documentary check	NB	55.72	57.00	66.00	15.79%
	Sampling less than 10 sub-samples	NB	85.45	88.00	102.00	15.91%
	Sampling 10-59 sub-samples	NB	107.21	110.00	128.00	16.36%
	Sampling 60 or more sub-samples	NB	150.76	155.00	180.00	16.13%
	Non - compliance charge	NB	126.89	131.00	152.00	16.03%
	supervisory fee for disposals	NB	174.15	179.00	208.00	16.20%
	Late notification fee	NB	86.52	89.00	103.00	15.73%
	Analysts fee - assigned by Lab	NB	AT COST	AT COST	AT COST	
Radiation - Japanese Control Measures	Products of Animal Origin	NB	208.06	214.00	248.00	15.89%
	Non animal origin	NB	55.72	57.00	66.00	15.79%
	Sampled non-animal origin					
	Identity and sampling	NB	85.45	88.00	102.00	15.91%
	Analysis - assigned by Lab	NB	AT COST	AT COST	AT COST	
	Non compliance	NB	126.89	131.00	152.00	16.03%
	Supervisory Fee for Disposal	NB	174.15	179.00	208.00	16.20%
	Late notification fee	NB	86.52	89.00	103.00	15.73%

DISCRETIONARY & STATUTORY FEES 2023/24

Charge for the Port Health Services Border Control Post Sevington

Item	Description/Comments	VAT Indicator	Charge 2021/22	Charge 2022/23	Charge 2023/24	Increase / Decrease on 2022/23
			£	£	£	%
Guar Gum from India	Documentary check (CHED)	NB	55.72	57.00	66.00	15.79%
	Sampling analysis	NB	85.45	88.00	102.00	15.91%
	Analytical cost - Assigned by lab	NB	AT COST	AT COST	AT COST	
	Non-compliance	NB	126.89	131.00	152.00	16.03%
	Supervisory fee for disposal	NB	174.15	179.00	208.00	16.20%
	Late notification fee	NB	86.52	89.00	103.00	15.73%
Plastic Kitchenware - China and Hong Kong control measures	1-5 Certificates	NB		46.00	53.00	15.22%
	6-10 Certificates	NB	64.22	66.00	77.00	16.67%
	11-20 Certificates	NB	89.01	92.00	107.00	16.30%
	21+ Certificates	NB	113.79	117.00	136.00	16.24%
	Identy, Physical Check and Sampling	NB	68.72	71.00	82.00	15.49%
	Analytical cost - Assigned by Lab	NB	AT COST	AT COST	AT COST	
	Confirmatory test for nylon - Assigned by Lab	NB	AT COST	AT COST	AT COST	
	Non - compliance	NB	126.89	131.00	152.00	16.03%
	Late notification fee	NB	86.52	89.00	103.00	15.73%
Illegal, Unreported and Unregulated Fishing (IUU) Ashford Port Health uses a per consignment basis for its charges. Where multiple catch certificates are submitted for the same consignment which include high and low risk country certificates, the higher risk charge is applied	High Risk 1-5	NB	45.06	46.00	53.00	15.22%
	High Risk 6-10	NB	67.60	70.00	81.00	15.71%
	High Risk 11-20	NB	78.87	81.00	94.00	16.05%
	High Risk 21+	NB	90.14	93.00	108.00	16.13%
	Low Risk 1-5	NB	22.54	23.00	27.00	17.39%
	Low Risk 6-10	NB	39.43	41.00	48.00	17.07%
	Low Risk 11-20	NB	50.70	52.00	60.00	15.38%
	Low Risk 21+	NB	61.96	64.00	74.00	15.63%
	Formal Verification/Movement Control Notice	NB	87.08	90.00	104.00	15.56%
	Per quarter hour	NB	21.76	22.00	26.00	18.18%
	Non-compliance	NB	126.89	131.00	152.00	16.03%
	Late notification fee	NB	86.52	89.00	103.00	15.73%

DISCRETIONARY & STATUTORY FEES 2023/24

Charge for the Port Health Services Border Control Post Sevington

Item	Description/Comments	VAT Indicator	Charge 2021/22	Charge 2022/23	Charge 2023/24	Increase / Decrease on 2022/23
			£	£	£	%
Organic Import Controls	Current national flat rate	NB	55.62	57.00	66.00	15.79%
	Late notification fee	NB	86.52	89.00	103.00	15.73%
	Movement control	NB	126.89	131.00	152.00	16.03%
	Non compliance charge	NB	126.89	131.00	152.00	16.03%
Genetically Modified (GN) Controls in rice and Rice Products from China Documentary Check	Documentary Check	NB		57.00	66.00	15.79%
	Identity checks, physical check and sampling	NB	55.72	57.00	66.00	15.79%
	Analyst Fee	NB	85.45	88.00	102.00	15.91%
	Reduced sample (processed product) - Assigned by lab Non-compliance	NB	126.89	131.00	152.00	16.03%
	Supervisory fee for disposal	NB	174.15	179.00	208.00	16.20%
Export Health Certificates	Export Health Certificate £100 for preparation and first hour. Subsequent hours charged at Officer Rate	NB	100.00	100.00	116.00	16.00%
	Animal Feed Import, £54 document checking, £100 officer time sampling and Lab sampling recharged at cost	NB	154.00	154.00	179.00	16.23%
	APHA Certificate recharged at cost	NB	AT COST	AT COST	AT COST	
Other Charges	Disposal collection fee:					
	Up to 0.9 tonnes in 3.5T Lorry	NB	236.32	243.00	282.00	16.05%
	Lorry Up to 1.5 tonnes in 7.5T Lorry	NB	236.32	243.00	282.00	16.05%
	Lorry Up to 10 tonnes in 18T	NB	287.83	296.00	343.00	15.88%
	Lorry Up to 20 tonnes in artic	NB	386.25	398.00	462.00	16.08%
	Refund of PHILIS deposit	NB	28.00	29.00	34.00	17.24%
	Disposal by incineration NOA per kg	NB	0.26	0.26	0.26	0.00%
	Disposal by incineration POAO per kg	NB	0.35	0.35	0.35	0.00%
	Staff hourly rate	NB	87.08	90.00	104.00	15.56%
	Certificate of destruction	NB	25.75	27.00	31.00	14.81%
	Non compliance charge for all products without an official import declaration	NB	126.89	131.00	152.00	16.03%

VAT Indicator:

NB = Non Business no VAT

VT = Exclusive of VAT

EX = Exempt from VAT

DISCRETIONARY & STATUTORY FEES 2023/24

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Interments						
Interments in a new unpurchased grave						
(1) Interment of standard sized coffin in new grave - includes digging, purchase of right of burial for 30 years and temporary wooden marker with plaque	ADULT (Resident):					
	Single grave depth	NB	1,240.00	1,275.00	1,479.00	16.00%
	Single grave depth with boarding (excludes Tenterden cemetery and woodland graves)	NB	1,467.00	1,510.00	1,752.00	16.03%
	Double grave depth (excludes Tenterden)	NB	1,360.00	1,400.00	1,624.00	16.00%
	Triple grave depth (excludes Tenterden)	NB	1,580.00	1,625.00	1,885.00	16.00%
	ADULT (Non-resident):					
	Single grave depth	NB	4,960.00	5,100.00	5,916.00	16.00%
	Single grave depth with boarding (excludes Tenterden cemetery and woodland graves)	NB	5,868.00	6,040.00	7,008.00	16.03%
	Double grave depth (excludes Tenterden)	NB	5,440.00	5,600.00	6,496.00	16.00%
	Triple grave depth (excludes Tenterden)	NB	6,320.00	6,500.00	7,540.00	16.00%
	CHILD (Non-resident):					
	Single grave depth: under 3 months	NB	85.00	87.00	99.00	13.79%
	Single grave depth: 3 - 5 years	NB	85.00	87.00	99.00	13.79%
Single grave depth: 6 - 18 years	NB	275.00	283.00	328.00	15.90%	

DISCRETIONARY & STATUTORY FEES 2023/24

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22	Charge 2022/23	Charge 2023/24	Increase / Decrease on 2022/23	
			£	£	£	%	
Interments							
Interments in a new unpurchased grave							
(2) Interment of casket style or oversized coffin (<30") in new grave - includes digging, purchase of right of burial for 30 years and temporary wooden marker with plaque. NOTE: Oversized coffins or caskets require two grave spaces	ADULT (Resident):						
	Single grave depth	NB	2,420.00	2,485.00	2,883.00	16.02%	
	Single grave depth with boarding (excludes Tenterden)	NB	2,874.00	2,955.00	3,428.00	16.01%	
	Double grave depth (excludes Tenterden)	NB	2,660.00	2,735.00	3,173.00	16.01%	
	Triple grave depth (excludes Tenterden)	NB	3,100.00	3,185.00	3,695.00	16.01%	
	ADULT (Non-resident):						
	Single grave depth	NB	9,680.00	9,940.00	11,532.00	16.02%	
	Single grave depth with boarding (excludes Tenterden)	NB	11,496.00	11,820.00	13,712.00	16.01%	
	Double grave depth (excludes Tenterden)	NB	10,640.00	10,940.00	12,692.00	16.01%	
	Triple grave depth (excludes Tenterden)	NB	12,400.00	12,740.00	14,780.00	16.01%	
	Interments in a reopen grave or grave that has been pre-purchased						
	(3) Reopen of existing grave or pre-purchased grave for interment of standard coffin - includes digging but excludes temporary wooden marker with plaque	ADULT: (Resident):					
Single grave depth		NB	640.00	657.00	762.00	15.98%	
Single grave depth with boarding (excludes Tenterden) *		NB	867.00	892.00	1,035.00	16.03%	
Double grave depth (excludes Tenterden)		NB	760.00	782.00	907.00	15.98%	
Triple grave depth (excludes Tenterden)		NB	980.00	1,007.00	1,168.00	15.99%	
ADULT (Non Resident):							
Single grave depth		NB	2,560.00	2,628.00	1,524.00	-42.01%	
Single grave depth with boarding (excludes Tenterden) *		NB	3,468.00	3,568.00	2,070.00	-41.98%	
Double grave depth (excludes Tenterden)		NB	3,400.00	3,128.00	1,814.00	-42.01%	
Triple grave depth (excludes Tenterden)		NB	4,280.00	4,028.00	2,336.00	-42.01%	
Under 5 years *		NB	85.00	87.00	101.00	16.09%	
6 - 18 years *		NB	275.00	283.00	328.00	15.90%	

DISCRETIONARY & STATUTORY FEES 2023/24

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Interments						
Interments in a new unpurchased grave						
(4) Reopen of existing grave or pre-purchased grave for interment of casket or oversized coffin (<30") where possible. Includes digging but excludes temporary wooden marked with plaque NOTE: Oversized coffins or caskets require two grave spaces, can only be dug if space is available and does not encroach on another purchased grave	ADULT (Resident):					
	Single grave depth *	NB	1,280.00	1,310.00	1,520.00	16.03%
	Single grave depth with boarding (excludes Tenterden) *	NB	1,734.00	1,780.00	2,065.00	16.01%
	Double grave depth (excludes Tenterden) *	NB	1,520.00	1,560.00	1,810.00	16.03%
	Triple grave depth (excludes Tenterden) *	NB	1,960.00	2,010.00	2,332.00	16.02%
	ADULT (Non-resident):					
	Single grave depth *	NB	5,120.00	5,240.00	3,040.00	-41.98%
	Single grave depth with boarding (excludes Tenterden) *	NB	6,936.00	7,120.00	4,130.00	-41.99%
	Double grave depth (excludes Tenterden) *	NB	6,080.00	6,240.00	3,620.00	-41.99%
Triple grave depth (excludes Tenterden) *	NB	7,840.00	8,040.00	4,664.00	-41.99%	
Interment of Ashes in new unpurchased cremation plot						
(5) Interment of ashes in new cremation plot - includes digging, purchase of right of burial for 30 years and temporary wooden marker with plaque	(Resident):					
	Large plot (capacity for upto 4 interment of ashes)	NB	500.00	515.00	597.00	15.92%
	Small plot (capacity for up to 2 interment of ashes)	NB	365.00	375.00	435.00	16.00%
	(Non Resident):					
	Large plot (capacity for upto 4 interment of ashes)	NB	2,000.00	2,060.00	2,388.00	15.92%
Small plot (capacity for upto 2 interment of ashes)	NB	1,460.00	1,500.00	1,740.00	16.00%	
Interment of Ashes in an existing grave or ashes plot or a grave or ashes plot that has been pre-purchased						
(6) Reopen of burial plot for interment of ashes	(Resident):					
	For one set of ashes. Further sets of ashes at same time will be charged as per item (7)	NB	139.00	143.00	166.00	16.08%
	(Non Resident):					
For one set of ashes. Further sets of ashes at same time will be charge as per item (7)	NB	556.00	572.00	332.00	-41.96%	

DISCRETIONARY & STATUTORY FEES 2023/24

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Interments						
Interment of ashes interred at same time of another burial in same grave or ashes plot						
(7) Interment of single set ashes buried same time as a coffin burial or another set of ashes in same grave or burial plot. Fee charged for each additional set	Per set of ashes *	NB	70.00	72.00	84.00	16.67%
	(Non Resident):					
	Per set of ashes *	NB	280.00	288.00	168.00	-41.67%
Memorials						
Memorial permit giving permission to erect a memorial						
(8) Application for a memorials for graves in all cemeteries excluding Woodland Sections where memorials are not permitted. One application required per element of memorial required. NOTE: Not all sections of the cemetery are permitted kerbstones, these sections are detailed in the rules and regulations	Adult (Resident)					
	Headstone or tablet including inscriptions	NB	200.00	205.00	238.00	16.10%
	Kerbstone including cover slab and inscriptions	NB	200.00	205.00	238.00	16.10%
	Placement of standalone vase including inscriptions	NB	85.00	87.00	101.00	16.09%
	Replacement/renovation/reinstatement of memorial**	NB			50.00	
	Adult (Non Resident):					
	Headstone or tablet including inscriptions	NB	800.00	820.00	951.00	15.98%
	Kerbstone including cover slab and inscriptions	NB	800.00	820.00	951.00	15.98%
	Placement of a vase including inscriptions	NB	340.00	348.00	404.00	16.09%
	Replacement/renovation/reinstatement of memorial**	NB			50.00	
	Child - up to 18 years (Non Resident):					
	Headstone or tablet including inscriptions	NB	200.00	205.00	238.00	16.10%
	Kerbstone including cover slab and inscriptions	NB	200.00	205.00	238.00	16.10%
	Placement of a standalone vase including inscriptions	NB	85.00	87.00	101.00	16.09%
Replacement/renovation/reinstatement of memorial**	NB			50.00		
Inscription Application						
(9) Application for additional inscription on existing memorial.	(Resident):					
	New inscription on an existing memorial	VT	85.00	87.00	101.00	16.09%
	(Non Resident):					
	New inscription on an existing memorial	VT	340.00	348.00	404.00	16.09%

DISCRETIONARY & STATUTORY FEES 2023/24

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Exclusive Right of Burial						
Purchase of Exclusive Right of Burial						
(10) Purchase of right of burial for 30 years (applies to pre-purchase of graves and where burial rights that were not purchased prior to introduction of the composite fee)	(Resident)					
	One grave space	NB	540.00	556.00	645.00	16.01%
	Large cremation plot	NB	301.00	310.00	360.00	16.13%
	Small cremation plot	NB	166.00	170.00	197.00	15.88%
	(Non Resident)					
	One grave space	NB	2,160.00	2,224.00	2,580.00	16.01%
	Large cremation plot	NB	1,204.00	1,240.00	1,438.00	15.97%
Small cremation plot	NB	664.00	680.00	789.00	16.03%	
(11) Extension of a right of burial for period of 5 years	(Resident)					
	One grave space	EX	90.00	92.50	107.00	15.68%
	Large cremation plot	EX	50.00	51.50	60.00	16.50%
	Small cremation plot	EX	28.00	28.50	33.00	15.79%
	(Non Resident)					
	One grave space	EX	360.00	370.00	429.00	15.95%
	Large cremation plot	EX	200.00	206.00	239.00	16.02%
Small cremation plot	EX	112.00	114.00	132.00	15.79%	
(12) Transfer of a right of burial	(Resident)					
	Per transfer completed	EX	90.00	92.00	107.00	16.30%
	Per transfer completed	EX	360.00	368.00	0.00	-100.00%

DISCRETIONARY & STATUTORY FEES 2023/24						
Cemetery Charges						
Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Exhumations						
(13) Exhumation and reinterment in same grave		VT	AT COST	AT COST	AT COST	
(14) Exhumation and reinterment in another grave in ABC cemetery		EX	AT COST	AT COST	AT COST	
(15) Exhumation for transportation to non ABC cemetery		EX	AT COST	AT COST	AT COST	
Other Cemetery Charges						
(16) Selection of grave space by customer instead of using next available space		EX	105.00	108.00	125.00	15.74%
(17) Incorrect arrival time in excess of 30 mins at cemetery		NB	105.00	108.00	125.00	15.74%
(18) Family history search for genealogy purposes	Up to 1 names in single application	VT	30.00	30.00	35.00	16.67%
	2 - 5 names in same application (per name)	VT		5.00	6.00	20.00%
	6 to 9 names in same application (per name)	VT		2.50	3.00	20.00%
(19) Temporary Marker with plaque for reopened graves or new graves that were prepurchased - Excludes woodland graves	Wooden cross	VT	60.00	62.00	72.00	16.13%
	Wooden plaque holder	VT	50.00	51.50	60.00	16.50%
(20) Additional memorial plaque for woodland grave or wooden marker	Additional plaque for reopen burial or interment in a pre-purchased grave, or replacement of existing plaque	VT	45.00	46.25	54.00	16.76%
(22) Tree Replacement in woodland section (Bybrook or Tenterden cemetery). Includes purchase and planting. Excludes a tree planting ceremony	Replacement of tree that has failed after being planted for more than 12 months.	VT	100.00	103.00	119.00	15.53%

DISCRETIONARY & STATUTORY FEES 2023/24

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Exhumations						
Other Cemetery Charges						
(23) Cancellation of service	Fee chargeable if grave has been dug and date is rescheduled or interment has repeat rescheduling	NB	105.00	108.00	125.00	15.74%
(24) Reservation Fee to secure burial plot for a six month period. Amount payable is deducted from total cost when paid in full. No refund if burial plot is not fully purchased within six months.	(Resident)					
	One grave space	NB	108.00	111.00	129.00	16.22%
	Large cremation plot	NB	60.00	62.00	72.00	16.13%
	Small cremation plot	NB	33.00	34.00	39.00	14.71%
	(Non Resident)					
	One grave space	NB	432.00	444.00	515.00	15.99%
	Large cremation plot	NB	240.00	248.00	288.00	16.13%
Small cremation plot	NB	132.00	136.00	156.00	14.71%	

** new fee being charged

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2023/24

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Telecare/Lifeline						
Telecare Lifeline/Addition Installation (Within Kent)	One Off Payment per client	VT	82.00	82.00	82.00	0.00%
Telecare Lifeline/addition Postage and self install - Nation Wide	One off payment per client	VT	15.00	15.00	17.36	15.73%
Telecare Lifeline Monitoring and Equipment Hire	Annual Fee per client	VT	165.00	165.00	170.00	3.03%
NEW - Additional sensor monitoring annual fee		VT			108.00	
Supply of Second Pendant sensor	One off payment per client	VT	57.00	57.00	60.00	5.26%
Supply of Key safe - new style	One Off Payment per client	VT	72.00	72.00	75.00	4.17%
Supply of Key release Door Chain new style	One Off Payment per client	VT	65.00	65.00	65.00	0.00%
Telecare/Lifeline Equipment	Replacement of Equipment due to Damage/Non Return	VT	211.00	211.00	240.00	13.74%
Purchase of Safe Socket	One off payment per safe socket required	VT	26.00	26.00	30.00	15.38%
Purchase of BT Cable for Lifeline	One off payment per BT cable required	VT	15.00	15.00	17.00	13.33%
Purchase of Fall Detector	One off payment per fall detector	VT	113.00	113.00	120.00	6.19%
Purchase of Carbon Monoxide Detector	One off payment per Carbon Monoxide Detector	VT	125.00	125.00	125.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Telecare/Lifeline						
Purchase of Flood Detector	One off payment per Flood Detector	VT	113.00	113.00	113.00	0.00%
Purchase of Pendant Easy Press	One off payment per Pendant Easy Press	VT	10.00	10.00	12.00	20.00%
Purchase of Smoke Alarm Detector	One off payment per Smoke Alarm Detector	VT	113.00	113.00	113.00	0.00%
Purchase of Power Cable	One off payment per Power Cable	VT	36.00	36.00	36.00	0.00%
Insurance CCTV review/download	One off payment for a data protection request from an insurance company	VT	125.00	125.00	125.00	0.00%

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DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Land Charges						
Standard Search Fee	Domestic Properties	NB				Cost Recovery
	Non-Domestic Properties	NB				Cost Recovery
Extra Questions		NB				Cost Recovery
	<i>NB All Land Charges Fees are to be set at on full cost recovery Basis - these need to be reviewed periodically throughout the year to ensure that this is achieved.</i>					
Street Administration						
Street Naming and numbering	1 Unit	NB	57.00	59.00	68.00	15.25%
	2-10 units	NB	46.00	47.00	55.00	17.02%
	Over 10 units	NB	42.00	43.00	50.00	16.28%
New Street Name		NB	136.00	140.00	162.00	15.71%
Rename Existing Street		NB	289.00	298.00	346.00	16.11%
Address Change	per property	NB	57.00	59.00	68.00	15.25%
Building Control						
Discretionary Works	Including Party Wall surveying, Fire Risk assessments, Access audits, SBEM, SAP ratings and other surveying activities	VT				Cost Recovery

DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Charge for the Supply of Information and Photocopies of Documents						
Notices and Extracts	Authenticated Building Control Regulation Approval or Completion Certificate (photocopy - copying charge only)	VT	11.32	11.66	13.53	16.04%
	Architects Plans (A3 & A4)	VT	0.41	0.42	0.49	16.67%
	Architects Plans (A2+)	VT	7.08	7.29	8.46	16.05%
Fact sheets	Major Development Proposals in Ashford (per page)	VT	1.93	1.99	2.31	16.08%
	All other fact sheets (per page)	VT	0.41	0.42	0.49	16.67%
Requests for Planning Information*		VT	61.04	62.87	72.93	16.00%
Requests for Building Control Information*		VT	61.04	62.87	72.93	16.00%
Inspection of approved Building Regulation Plans*		VT	61.04	62.87	72.93	16.00%
Gas and Pipeline Extracts*		VT	7.63	7.86	9.12	16.03%
Postage and Packing		VT	1.06	1.09	1.26	15.60%
*Fee for additional work on information that is freely available on website						

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DISCRETIONARY & STATUTORY FEES 23/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Council Tax Collection						
Court costs	Summons costs	NB	60.00	60.00	60.00	0.00%
	Liability orders	NB	65.00	65.00	65.00	0.00%
Business Rates						
Court costs	Liability orders	NB	180.00	180.00	180.00	0.00%

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DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Chilmington Road Travellers Site						
Rent	Charge per week	NB	50.43	51.94	60.25	16.00%
Service Charge	Charge per week	NB	39.25	40.43	46.90	16.00%
Mobile Homes						
Annual monitoring fee *	* The charge per pitch is worked out retrospectively on an annual basis and covers costs such as officer time, petrol, paper etc. Therefore the cost fluctuates yearly depending on how many visits there were and is set in July each year as per the Park Home Policy. The fee quoted here is the hourly rate used for the calculations	NB	30.00	30.00	30.00	0.00%
Check & Depositing Site Rules		NB	69.00	71.00	82.00	15.49%
Site Licence Application Fees	Band 1 - 1-10 pitches	NB	392.00	404.00	469.00	16.09%
	Band 2 - 11-50 pitches	NB	438.00	451.00	523.00	15.96%
	Band 3 - 51-99 pitches	NB	579.00	596.00	691.00	15.94%
	Band 4 - 100-199 pitches	NB	718.00	740.00	858.00	15.95%
	Band 5 - 200+ pitches	NB	880.00	906.00	1051.00	16.00%
Application to transfer a site licence	Band 1 - 1-10 pitches	NB	78.00	80.00	93.00	16.25%
	Band 2 - 11-50 pitches	NB	88.00	91.00	106.00	16.48%
	Band 3 - 51-99 pitches	NB	116.00	119.00	138.00	15.97%
	Band 4 - 100-199 pitches	NB	144.00	148.00	172.00	16.22%
	Band 5 - 200+ pitches	NB	176.00	181.00	210.00	16.02%
Application to amend a site licence	Band 1 - 1-10 pitches	NB	129.00	133.00	154.00	15.79%
	Band 2 - 11-50 pitches	NB	145.00	149.00	173.00	16.11%
	Band 3 - 51-99 pitches	NB	191.00	197.00	229.00	16.24%
	Band 4 - 100-199 pitches	NB	237.00	244.00	283.00	15.98%
	Band 5 - 200+ pitches	NB	290.00	299.00	347.00	16.05%

DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Homelessness						
Copy of File		VT	10.00	10.00	10.00	0.00%
Private Sector Housing						
Charge for service of enforcement notices Housing Act 2004 (per notice)	Incorporating improvement notices, prohibition orders, emergency remedial action, emergency prohibition orders, demolition orders	NB	309.00	318.00	369.00	16.04%
Charge to carry out inspections in respect of a UK entry application		NB	124.00	128.00	148.00	15.63%
Making a prohibition notice (Housing Act 2004 sec 20 or 21)	Discretion regarding matters relating to over-crowding, but other issues which require a notice to be charged at £300	NB	350.00	361.00	419.00	16.07%
Charge for making an emergency prohibition order - Housing Act 2004		NB	233.00	240.00	278.00	15.83%
Charge for undertaking emergency remedial action (Housing Act 2004)	Charge between £100 - £500, depending on the extent of emergency works carried out	VT	100 - 500	100 - 500	100 - 500	N/A
Penalty Charge notices - the smoke and carbon monoxide alarm regulations 2015	First Offence £5,000, an early payment will attract a discount of 50% making it £2,500	NB	2,575.00	2,652.00	3,076.00	15.99%
	For subsequent offences the penalty will be £5,000 to deter continued non-compliance. No early payment discount would apply	NB	5,150.00	5,305.00	6,154.00	16.00%
House in Multiple Occupation Licence Fee	Five Year Licence - 1st property	NB	581.00	802.00	802.00	0.00%
	Five Year Licence - subsequent properties	NB	581.00	802.00	802.00	0.00%
ABC Lettings						
Management charge	Agreed with landlord	VT	10% -12.5%	10% -12.5%	10%	0.00%
Landlords one-off set up fee		VT	250.00	250.00	250.00	0.00%
Repairs Service		VT	Cost +10%	Cost +10%	Cost +10%	0.00%

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DISCRETIONARY & STATUTORY FEES 2023/24

Charges for Room Hire

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Room Hire	Council Chamber	- Up to 4 hours	164.00	164.00	164.00	0.00%
		- Full Day	288.00	288.00	288.00	0.00%
		- Evening after 5pm	264.00	264.00	264.00	0.00%
	Committee Rooms	- Up to 4 hours	86.00	86.00	86.00	0.00%
		- Full Day	155.00	155.00	155.00	0.00%
		- Evening after 5pm	149.00	149.00	149.00	0.00%

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DISCRETIONARY & STATUTORY FEES 2023/24

Property Services

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Licences - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Licences - inspection/administration	The fee may depend upon whether a new boundary fence needs to be erected.	VT	250.00	250.00	290.0	16.00%
Land sales - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer. Initial payment of £500 is requested	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Land sales - inspection/administration	Cost of the site inspection £324 up to sales value of £2500, where sales value exceeds £2500 cost will be £334 + 1% of sales value. Reflects more appropriate charge.	VT	324.00	334.00	387.00	15.87%
Easements - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Easements - administration		VT	200.00	200.00	232.00	16.00%
Release of covenant - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Release of covenant - administration		VT	300.00	300.00	348.00	16.00%
Boundary disputes	Charge only applies if unlawful encroachment on Council land is found to have occurred. Final cost will depend upon complexity of dispute.	EX	211.00	217.00	252.00	16.13%
Development Administration Fee	To cover overheads in relation to officer time for processing, site visits for monitoring purposes for duration of works, insurance checks, review of method statements and risk assessments.	VT	449.00	462.00	536.00	16.02%
AutoCAD plan production fee	Production of drawings for the purpose of ABC legal agreements	VT	112.00	115.00	133.00	15.65%
Wayleaves - inspection/administration		VT	250.00	250.00	290.00	16.00%

DISCRETIONARY & STATUTORY FEES 2023/24

Property Services

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Commerical Transactions / Dealings						
Minimum Charges shown that will be applicable subject to time / complexity	New letting/lease agreements				£250 +	
	Consent to assign, sublet, underlet				£250 +	
	Consent for alteration				£250 +	
	Retrospective Consent for alteration				£400 +	
	Licences and Tenancies at Will				£250 +	
	Easements and surrenders				£250 +	
	Acquisition and disposal				£250 +	
	Charity, non-profit organisations upon evidence of accounts				£0 - £50	
Garage and Parking Space Fees and Charges						
Garage and Parking Space Fees and Charges	Council Tenant Low per week	EX	11.00	11.50	13.00	13.04%
	Council Tenant High per week	EX	11.00	11.50	13.00	13.04%
	Non Council Tenant Low (plus VAT) per week	VT	13.20	13.80	16.00	15.94%
	Non Council Tenant High (plus VAT) per week	VT	13.20	13.80	16.00	15.94%
	Charge for lock changes following loss of keys etc.				150.00	
	Deposit for all new Garage Tenancies (new charge)	EX		One months rent	One months rent	
	Parking Spaces (on garage sites only) per year in advance (new charge in 20/21 as we will be demolishing a number of garage sites and creating parking spaces, this will then be in place going forward)	VT	210.00	220.00	255.00	15.91%
<i>In line with the agreed Garage Commercialisation Strategy all profit of monies received for the sale of garage sites into the General Fund be allocated into the Garage budget to enable the investment for renovation and upgrade of existing let sites in order to maintain the highest level of revenue into the General Fund going forward.</i>						

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DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Waste Collection						
Bulky Collection - General approved items	Base Charge (1 to four items excluding white goods)	NB	26.00	27.00	35.00	29.63%
Bulky Collection - White goods	White goods - for each item (each for televisions, computer monitors and white goods, including microwaves, washing machines and tumble dryers)	NB			25.00	
Garden Waste Bins	Wheelie Bin for Garden Waste - Previously agreed by Cabinet	NB	40.00	42.50	45.00	5.88%
Full household bin set (new developments)	Set of one recycle (240L) one refuse (180L) one food caddy (23L) and one silver kitchen caddy (5L)	NB	80.00	80.00	95.00	18.75%
Recycle bin (New development)	Green (240L)	NB	41.00	42.00	49.00	16.67%
Refuse bin (New development)	Black (180L)	NB	41.00	42.00	49.00	16.67%
Food caddy (New development)	Orange & black (23L)	NB	10.00	10.00	14.00	40.00%
Kitchen food caddy (New development)	Silver (5L)	NB	8.00	8.00	10.00	25.00%
Food bin	Black with food signage wrap (180L)	NB	36.00	37.00	45.00	21.62%
Replacement resident refuse bin	Black (180L)	NB	25.00	25.00	30.00	20.00%
Replacement resident recycle bin	Green (240L)	NB	25.00	25.00	30.00	20.00%
Bulk refuse bin (New or replacement) <i>(Includes signage on bins)</i>	1100L steel/black lid	NB	355.00	366.00	380.00	3.83%
Bulk refuse bin (New or replacement) <i>(Includes signage on bins)</i>	1100L steel/black lid (each additional bulk refuse bin in same delivery)	NB	309.00	318.00	365.00	14.78%

DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Waste Collection						
Bulk recycle bin (New or replacement) <i>(Includes signage on bins)</i>	1100L full green	NB	381.00	392.00	395.00	0.77%
Bulk recycle bin (New or replacement) <i>(Includes signage on bins)</i>	1100L full green (each additional bulk recycle bin in same delivery)	NB	340.00	350.00	380.00	8.57%
Bin store/compound recycle information sign (A2)	Colour signage on diabond board per sign - Bin use improvement	NB		40.00	50.00	25.00%
Dog Warden Fees						
Stray Dogs	Statutory fee for dog not being on lead	NB	25.00	25.00	25.00	0.00%
Dog Control Costs	Collection/delivery of dog	NB	45.00	50.00	70.00	40.00%
Kennelling costs	Per 24 hour period, day one due on admission	NB	11.00	12.00	15.00	25.00%
Administration charge	Office Hours	NB	16.00	18.00	20.88	16.00%
	Outside Office Hours	NB	35.00	36.00	41.76	16.00%
Vetinary Treatment	As required	NB	Cost Recovery			
Fixed Penalty Notices						
Non compliance of micro chip for a dog	*	NB	500.00	500.00	500.00	0.00%
Dog fouling	*	NB	50.00	50.00	50.00	0.00%
Littering	*	NB	75.00	75.00	75.00	0.00%
Flytipping	*	NB	400.00	400.00	400.00	0.00%
Failure to fulfil duty of care (Domestic Waste)	* Fixed penalty reduces to £300 if paid within 14 days.	NB	400.00	400.00	400.00	0.00%
Failure to comply with a Community Protection Notice	*	NB	100.00	100.00	100.00	0.00%
Failure to comply with a Public Space Protection Order	*	NB	100.00	100.00	100.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Allotment Rents						
Plot rent (per perch)		EX	7.20	7.50	10.00	33.33%
Concessionary rate rent - (for the first 3 perch only)		EX	3.60	3.75	5.00	33.33%

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** VAT rate depends whether relates to a cemetery or other open space. Cemeteries are NB rate and other are VT standard rate

*** New fee introduced

DISCRETIONARY & STATUTORY FEES 2023/24

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Memorial Benches						
Hereford Seat or similar style	15 year lease plus supply and Installation of bench	NB/VT**	780.74	804.16	932.83	16.00%
Georgian Seat or similar style	15 year lease plus supply and Installation of bench	NB/VT**	1016.61	1047.11	1214.65	16.00%
Cavendish Seat or similar style	15 year lease plus supply and Installation of bench	NB/VT**	924.94	952.69	1105.12	16.00%
Montseny 1800 bench in Victoria Park	10 year lease plus supply and Installation of plaque	NB/VT**			1250.00	0.00%
Recasting of memorial plaque	Changing the inscription for example, adding an additional name	NB/VT**	257.50	265.23	307.66	16.00%
Extending the lease of a bench	Extending the lease of the bench at the end of the initial 15/10 year period for a period of 5 years (subject to condition)	NB/VT**	309.00	318.27	369.19	16.00%
Tree Planting						
Dedicate a tree	Lower end of price scale	NB/VT**	198.90	204.87	237.65	16.00%
	Higher end of price scale	NB/VT**	244.80	252.15	292.49	16.00%
Sponsor a tree		NB/VT**	99.96	102.96	119.43	16.00%
Plant a woodland tree		NB/VT**	25.50	26.26	30.46	15.99%

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*** New fee introduced

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23	Proposed Charge 2023/24	Increase / Decrease on 2022/23 %
Courtside and Pitchside						
Tennis courts prices (per hour)						
	use of 1 court	VT	7.50	7.50	8.00	6.67%
	use of 2 courts	VT	15.00	15.00	16.00	6.67%
	use of 3 courts	VT	21.00	21.00	24.00	14.29%
	use of 4 courts	VT	30.00	30.00	32.00	6.67%
	use of 5 and 6 courts	VT	70.00	70.00	74.75	6.79%
Netball prices (per hour)						
	use of 1 court	VT	17.00	19.00	22.00	15.79%
	use of 2 courts	VT	23.00	25.00	29.00	16.00%
	Use of courts 3,4 &5	VT	34.50	38.00	44.00	15.79%
	use of all courts	VT	70.00	79.00	91.75	16.14%
Football prices (per hour)						
Football (3g)	Football (3g) prices adult (full)	VT	100.00	108.00	125.25	15.97%
	Football (3g) prices junior (full)	VT	80.00	84.00	97.50	16.07%
	Football (3g) prices adult (one third)	VT	33.33	33.33	38.75	16.26%
	Football (3g) prices junior (one third)	VT	26.67	26.67	31.00	16.24%
	Football (3g) prices adult (half)	VT	50.00	53.95	62.50	15.85%
	Football (3g) prices junior (half)	VT	40.00	42.00	48.70	15.95%
	Match price adult (2hrs)	VT	n/a	n/a	188.00	
	Match price junior (2hrs)	VT	n/a	n/a	146.00	
Football (grass) (per hour)	Football (grass) pitches prices adult (Full)	VT	60.00	66.00	76.50	15.91%
	Football (grass) pitches prices junior (full)	VT	50.00	55.00	64.00	16.36%
	Football (grass) pitches prices juniors (half)	VT	30.00	32.00	37.25	16.41%
	Season matches (10)	VT	600.00	660.00	765.50	15.98%
Meeting Room						
	Meeting Room prices (per hour)	VT	n/a	22.00	25.50	15.91%

Notes

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* inc floodlight use added prices for Sept 2021

DISCRETIONARY & STATUTORY FEES 2023/24

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Compliance Check	For domestic Development	VT	93.00	96.00	111.00	15.63%
(Confirmation that a development has been built in accordance with the approved plans)	For a Domestic proposal that requires a site visit	VT	180.00	185.00	215.00	16.22%
Research of Planning History	To confirm whether or not permitted development rights have been removed from a dwelling	VT	47.00	48.00	56.00	16.67%
Formal Complaint under High Hedges Legalisation		VT	512.00	527.00	611.00	15.94%
Pre-Application Planning & Policy Advice - Agreed by Cabinet November 2022						
Householder extensions, alterations and others	Written advice only	VT			140.00	
	1st meeting & written advice	VT			280.00	
Minor developments 1-4 dwellings	Written advice only	VT			400.00	
	1st meeting & written advice	VT			600.00	
Minor developments 1-4 dwellings	Written advice only	VT			700.00	
	1st meeting & written advice	VT			1,000.00	
Small major developments 10-49 dwellings	Written advice only	VT			1,500.00	
	1st meeting & written advice	VT			2,500.00	
Large major developments 50+ dwellings	1st meeting & written advice	VT			4,000.00	
Follow up advice	50% of original fee	VT			50%	
Strategic developments in excess of 250 dwellings including mixed uses	1st meeting & written advice - 5000 plus PPA with 75% follow up fees to be agreed on a case by case basis	VT			5000+ (see description)	

DISCRETIONARY & STATUTORY FEES 2023/24

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Pre-Application Planning & Policy Advice - Agreed by Cabinet November 2022						
PPAs	1st meeting & written advice - Negotiable depending on what service the applicant demands, such as a dedicated resource	VT			Negotiable	
Commerical up to 250sqm	Written advice only	VT			150.00	
	1st meeting & written advice	VT			300.00	
Commerical 250 to 500sqm	Written advice only	VT			300.00	
	1st meeting & written advice	VT			500.00	
Commerical 500 to 1000sqm	Written advice only	VT			900.00	
	1st meeting & written advice	VT			1,200.00	
Commerical over 1000sqm	1st meeting & written advice	VT			1200 + 500 per 500sqm	
Follow up advice	Written advice only - 50% of original fee	VT			50%	
	1st meeting & written advice - 50% of original fee	VT			50%	
Charities	Written advice only - Half the fee	VT			Half	
	1st meeting & written advice - Half the fee	VT			Half	
Tree works advice	Written advice only	VT			100.00	
	1st meeting & written advice	VT			200.00	
	Written advice only - Half the relevant pre-application fee	VT			Half	
	1st meeting & written advice - Half the relevant pre-application	VT			Half	

All other Statutory charges apply

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DISCRETIONARY & STATUTORY FEES 2023/24

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Licensing Act							
Premises - new application	Statutory	Fee band - A	NB	100.00	100.00	100.00	0.00%
		Fee band - B	NB	190.00	190.00	190.00	0.00%
		Fee band - C	NB	315.00	315.00	315.00	0.00%
		Fee band - D - if exclusively or primarily for supply, sale or consumption of alcohol <u>double</u> the fee	NB	450.00	450.00	450.00	0.00%
		Fee band - E - if exclusively or primarily for supply, sale or consumption of alcohol <u>triple</u> the fee	NB	635.00	635.00	635.00	0.00%
		Premises allowing 5000+ people attract additional fees	See regulation for detail				
		Premises where only licensable activity is regulated entertainment & premises is education, church hall, village hall or similar	No fee payable				
Premises - annual fee	Statutory	Fee band - A	NB	70.00	70.00	70.00	0.00%
		Fee band - B	NB	180.00	180.00	180.00	0.00%
		Fee band - C	NB	295.00	295.00	295.00	0.00%
		Fee band - D - if exclusively or primarily for supply, sale or consumption of alcohol <u>double</u> the fee	NB	320.00	320.00	320.00	0.00%
		Fee band - E - if exclusively or primarily for supply, sale or consumption of alcohol <u>triple</u> the fee	NB	350.00	350.00	350.00	0.00%
		Premises allowing 5000+ people attract additional fees	See regulation for detail				

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Licensing Act							
Personal	Statutory		NB	37.00	37.00	37.00	0.00%
Temporary Event Notice	Statutory		NB	21.00	21.00	21.00	0.00%
Change of address notification	Statutory		NB	10.50	10.50	10.50	0.00%
Replacement licence etc (due to loss/theft etc)	Statutory		NB	10.50	10.50	10.50	0.00%
Designated premises supervisor variation	Statutory		NB	23.00	23.00	23.00	0.00%
Premises licence transfer	Statutory		NB	23.00	23.00	23.00	0.00%
Club registration change	Statutory		NB	10.50	10.50	10.50	0.00%
Club name or rules notification	Statutory		NB	10.50	10.50	10.50	0.00%
Interim Authority Notice	Statutory		NB	23.00	23.00	23.00	0.00%
Provisional Statement	Statutory		NB	315.00	315.00	315.00	0.00%
Freeholder notification of licensing matters	Statutory		NB	21.00	21.00	21.00	0.00%
Minor Variation	Statutory		NB	89.00	89.00	89.00	0.00%
Check & send (pre-app) service	Discretionary		VT	120.00	120.00	120.00	0.00%
Animal Welfare and Public Health Licences							
Dangerous Wild Animals	Discretionary	New Licence (2 year licence)	NB	977.00	977.00	977.00	0.00%
	Discretionary	Renewal (2 year licence)	NB	669.00	669.00	669.00	0.00%
	Discretionary	Variation	NB	344.00	344.00	344.00	0.00%
	Discretionary	Concurrent 2nd application	NB	87.00	87.00	87.00	0.00%
Zoos	Discretionary	Consideration	NB	1,218.00	1,218.00	1,218.00	0.00%
	Discretionary	Licence (4 year licence)	NB	2,008.00	2,008.00	2,008.00	0.00%
	Discretionary	Renewal (6 year licence)	NB	3,013.00	3,013.00	3,013.00	0.00%
	Discretionary	Dispensation - 14(1)(a)	NB	491.00	491.00	491.00	0.00%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Animal Welfare and Public Health Licences							
Boarding of animals	Discretionary	(New app) Application fee - up to 50 animals	NB	260.00	260.00	260.00	0.00%
	Discretionary	(New app) Grant fee - up to 50 animals	NB	200.00	200.00	200.00	0.00%
	Discretionary	(New app) Application fee - 51 or more animals	NB	295.00	295.00	295.00	0.00%
	Discretionary	(New app) Grant fee - 51 or more animals	NB	230.00	230.00	230.00	0.00%
	Discretionary	(Renewal) Application fee - up to 50 animals	NB	225.00	225.00	225.00	0.00%
	Discretionary	(Renewal) Grant fee - up to 50 animals	NB	200.00	200.00	200.00	0.00%
	Discretionary	(Renewal) Application fee - 51 or more animals	NB	255.00	255.00	255.00	0.00%
	Discretionary	(Renewal) Grant fee - 51 or more animals	NB	230.00	230.00	230.00	0.00%
Selling of Animals	Discretionary	(New app) Application fee	NB	280.00	280.00	280.00	0.00%
	Discretionary	(New app) Grant fee	NB	215.00	215.00	215.00	0.00%
	Discretionary	(Renewal) Application fee	NB	240.00	240.00	240.00	0.00%
	Discretionary	(Renewal) Grant fee	NB	215.00	215.00	215.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Animal Welfare and Public Health Licences							
Home boarding or day care	Discretionary	(New app) Application fee	NB	245.00	245.00	245.00	0.00%
	Discretionary	(New app) Grant fee	NB	180.00	180.00	180.00	0.00%
	Discretionary	(Renewal) Application fee	NB	210.00	210.00	210.00	0.00%
	Discretionary	(Renewal) Grant fee	NB	180.00	180.00	180.00	0.00%
Riding Establishments	Discretionary	(New app) Application fee - up to 10 horses	NB	280.00	280.00	280.00	0.00%
	Discretionary	(New app) Grant fee - up to 10 horses	NB	215.00	215.00	215.00	0.00%
	Discretionary	(New app) Application fee - 11 or more horses	NB	310.00	310.00	310.00	0.00%
	Discretionary	(New app) Grant fee - 11 or more horses	NB	245.00	245.00	245.00	0.00%
	Discretionary	(Renewal) Application fee - up to 10 horses	NB	240.00	240.00	240.00	0.00%
	Discretionary	(Renewal) Grant fee - up to 10 horses	NB	215.00	215.00	215.00	0.00%
	Discretionary	(Renewal) Application fee - 11 or more horses	NB	270.00	270.00	270.00	0.00%
	Discretionary	(Renewal) Grant fee - 11 or more horses	NB	245.00	245.00	245.00	0.00%
Keeping animals for exhibition	Discretionary	(New app) Application fee	NB	230.00	230.00	230.00	0.00%
	Discretionary	(New app) Grant fee	NB	165.00	165.00	165.00	0.00%
	Discretionary	(Renewal) Application fee	NB	190.00	190.00	190.00	0.00%
	Discretionary	(Renewal) Grant fee	NB	165.00	165.00	165.00	0.00%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Animal Welfare and Public Health Licences							
Breeding Establishments	Discretionary	(New app) Application fee - up to 5 dogs	NB	230.00	230.00	230.00	0.00%
	Discretionary	(New app) Grant fee - up to 5 dogs	NB	165.00	165.00	165.00	0.00%
	Discretionary	(New app) Application fee - 6-10 dogs	NB	245.00	245.00	245.00	0.00%
	Discretionary	(New app) Grant fee - 6-10 dogs	NB	180.00	180.00	180.00	0.00%
	Discretionary	(New app) Application fee - 11+ dogs	NB	260.00	260.00	260.00	0.00%
	Discretionary	(New app) Grant fee - 11+ dogs	NB	200.00	200.00	200.00	0.00%
	Discretionary	(Renewal) Application fee - up to 5 dogs	NB	190.00	190.00	190.00	0.00%
	Discretionary	(Renewal) Grant fee - up to 5 dogs	NB	165.00	165.00	165.00	0.00%
	Discretionary	(Renewal) Application fee - 6-10 dogs	NB	210.00	210.00	210.00	0.00%
	Discretionary	(Renewal) Grant fee - 6-10 dogs	NB	180.00	180.00	180.00	0.00%
	Discretionary	(Renewal) Application fee - 11+ dogs	NB	225.00	225.00	225.00	0.00%
	Discretionary	(Renewal) Grant fee - 11+ dogs	NB	200.00	200.00	200.00	0.00%
	Variation to increase animals or activities	Discretionary	Application fee	NB	90.00	90.00	90.00
Discretionary		Grant fee	NB	40.00	40.00	40.00	0.00%
Variation to reduce animals or activities	Discretionary	Grant fee	NB	40.00	40.00	40.00	0.00%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Animal Welfare and Public Health Licences							
Request for re-rating inspection	Discretionary	Application fee	NB	90.00	90.00	90.00	0.00%
	Discretionary	Grant fee	NB	40.00	40.00	40.00	0.00%
Public Health Licences *							
Acupuncture	Discretionary	Initial registration practitioner/premises	NB	177.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	109.00	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.00	30.50	30.50	0.00%
Tattooing (including semi-permanent skin-colouring)	Discretionary	Initial registration practitioner/premises	NB	200.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	109.00	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.50	30.50	30.50	0.00%
Electrolysis	Discretionary	Initial registration practitioner/premises	NB	200.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	109.00	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.50	30.50	30.50	0.00%
Cosmetic Piercing (excluding ear piercing)	Discretionary	Initial registration practitioner/premises	NB	200.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	109.00	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.50	30.50	30.50	0.00%
Ear Piercing	Discretionary	Initial registration practitioner/premises	NB	200.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	30.50	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.50	30.50	30.50	0.00%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Public Health Licences*							
One You Shop Hire Fee - general	Discretionary	Any space subject to availability and a refundable deposit may be requested. To be introduced from April 2023: the venue is free for registered charities, commissioned services, the public sector and those organisations with a demonstrable public benefit in line with Ashford Borough Council's corporate plans. Donations from this group are welcome.					
	Discretionary	Downstairs - full space - full day	NB			35.00	
	Discretionary	Downstairs - full space - half day	NB			17.50	
	Discretionary	Consultation room/space small - full day	NB			10.00	
	Discretionary	Consultation room/space small - half day	NB			5.00	
	Discretionary	Consultation room/space large - full day	NB			15.00	
	Discretionary	Consultation room/space large - half day	NB			7.50	
	Discretionary	Downstairs kitchen - full day	NB			20.00	
	Discretionary	Downstairs kitchen - half day	NB			10.00	
	Discretionary	Upstairs (full space) - full day	NB			35.00	
	Discretionary	Upstairs (full space) - half day	NB			17.50	
	Discretionary	Upstairs (activity space) - full day	NB			20.00	
	Discretionary	Upstairs (activity space) - half day	NB			10.00	
	Discretionary	Upstairs (meeting space) - full day	NB			17.50	
	Discretionary	Upstairs (meeting space) - half day	NB			8.75	
	Discretionary	Entire facility (Mondays, weekday evenings, Saturday afternoon and Sundays only) - full day	NB			70.00	
	Discretionary	Entire facility (Mondays, weekday evenings, Saturday afternoon and Sundays only) - part day	NB			35.00	

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Sex Establishments Licence							
Sex Shops, Sex Cinemas and Sexual Entertainment Venue Licences	Discretionary	Grant	NB	3,499.00	3,499.00	3,499.00	0.00%
	Discretionary	Renewal	NB	334.00	334.00	387.00	15.87%
	Discretionary	Transfer	NB	334.00	334.00	387.00	15.87%
Street Trading and Consents							
Street Trading Licence	Discretionary	Yearly	NB	81.00	83.00	96.00	15.66%
Ashford Town Market pitch fee (per ft)	Discretionary	Collected by DD	NB	1.10	1.10	1.30	18.18%
Casual Street Trading Licence/Consent For One Off Event (per stall)	Discretionary	Grant	NB	21.00	21.50	25.00	16.28%
Casual Street Trading Licence for Market	Discretionary	Monthly	NB	31.00	32.00	37.00	15.63%
Street Trading Consent	Discretionary	Yearly	NB	81.00	83.00	96.00	15.66%
New Site Street Trading Consent - static	Discretionary	Grant	NB	113.00	116.00	135.00	16.38%
New Site Street Trading Consent - short term static	Discretionary	Grant - 1 site £100 (£25 extra for each additional site, i.e. £125 for 2 sites, £150 for 3 sites)	NB	£106 per site plus £28 per additional site	£106 per site plus £28 per additional site	£135 per site plus £35 per additional site	
Hawker Street Trading Consent	Discretionary	Yearly	NB	81.00	83.00	96.00	15.66%
Town Centre Commercial Booking	Discretionary	Daily (Monday - Friday, Sunday).For 4 consecutive days deduct £100 from total cost 5 consecutive days deduct £150, and for 6 consecutive days deduct £200)	NB	156.00	156.00	181.00	16.03%
Town Centre Commercial Booking	Discretionary	Small, local businesses (and charity collections by professional canvassing companies) 1-7 day block (flat fee)	NB	40.00	40.00	47.00	17.50%
Town Centre Commercial Booking	Discretionary	1 day (Saturday)	NB	205.00	205.00	238.00	16.10%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Street Trading Consent Rents							
Furners Wood Lay-by - cherry stall	Discretionary	Monthly rents	NB	163.00	168.00	195.00	16.07%
Furners Wood Lay-by - hot food	Discretionary	Monthly rents	NB	244.00	251.00	291.00	15.94%
Great Chart - A28 Tenterden bound - Food	Discretionary	Monthly rents	NB	244.00	251.00	291.00	15.94%
Great Chart - A28 Tenterden bound - Non Food	Discretionary	Monthly rents	NB	163.00	168.00	295.00	75.60%
Great Chart - A28 Ashford bound - Food	Discretionary	Monthly rents	NB	244.00	251.00	291.00	15.94%
Great Chart - A28 Ashford bound Non Food	Discretionary	Monthly rents	NB	163.00	168.00	195.00	16.07%
Hothfield - A20 Maidstone bound - Non Food	Discretionary	Monthly rents	NB	163.00	168.00	195.00	16.07%
Hothfield - A20 Maidstone bound - Food	Discretionary	Monthly rents	NB	244.00	251.00	291.00	15.94%
Hothfield - A20 Ashford bound - Non Food	Discretionary	Monthly rents	NB	163.00	168.00	195.00	16.07%
Hothfield - A20 Ashford bound - Food	Discretionary	Monthly rents	NB	244.00	251.00	291.00	15.94%
Henwood	Discretionary	Monthly rents	NB	224.00	231.00	270.00	16.88%
Recreation Ground Road car park	Discretionary	Monthly rents	NB	413.00	420.00	420.00	0.00%
Potters Corner, Hothfield	Discretionary	Monthly rents	NB	244.00	251.00	291.00	15.94%
Hall Avenue, Sevington	Discretionary	Max 28 days use per year	NB	261.00	269.00	312.00	15.99%
Chilham Mill	Discretionary		NB	244.00	251.00	291.00	15.94%

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Council Land							
Event application fee for charity and community on Council land	Discretionary	It should be noted that there are a number of funds and grants available to support charities and community events to potentially offset relevant fees, details will be provided on the council website	NB	40.00	40.00	40.00	0.00%
Event application fee for commercial events on Council land	Discretionary	per application	NB	40.00	40.00	40.00	0.00%
Commercial: Small	Discretionary	per operating day	NB	292.00	292.00	358.00	22.60%
	Discretionary	per non-operating day	NB	200.00	200.00	252.00	26.00%
Commercial: Medium	Discretionary	per operating day	NB	600.00	600.00	716.00	19.33%
	Discretionary	per non-operating day	NB	200.00	200.00	252.00	26.00%
Commercial: Large	Discretionary	per operating day	NB	1,200.00	1,200.00	1,412.00	17.67%
	Discretionary	per non-operating day	NB	200.00	200.00	252.00	26.00%
Safety Advisory Group							
Road closure application s21 TPCA 1847	Discretionary	per application	NB	25.00	25.00	75.00	0.00%
Event application fee for charity and community not on Council land	Discretionary	It should be noted that there are a number of funds and grants available to support charities and community events to potentially offset relevant fees, details will be provided on the council website	NB	40.00	40.00	20.00	-50.00%
Event application fee for commercial events not on Council land	Discretionary	per application	NB	40.00	40.00	40.00	0.00%
Food Hygiene							
Level 1 course	Discretionary		EX	35.00	35.00	35.00	0.00%
Level 2 course	Discretionary		EX	48.00	48.00	48.00	0.00%
Re-sit (at time of next course)	Discretionary		EX	18.00	18.00	18.00	0.00%
Re-sit (oral)	Discretionary		EX	42.00	42.00	42.00	0.00%
Food Safety Charges							
Food surrender inspection and issuing of certificate	Discretionary	Set fee for first hour, then officers hourly rate thereafter.	NB	100.00	106.00	123.00	16%
Disposal/tipping costs charge at cost	Charged by tip		NB	Cost recovery	Cost recovery	Cost recovery	N/A
Food Hygiene Rating Scheme (FHRS) re-inspection to rescore following request from the food business	Discretionary		NB	90.00	90.00	105.00	17%
Food safety advisory visits - to include a 2 hour consultation, follow up reports and supporting documentation.	Discretionary		NB	120.00	120.00	120.00	N/A
Food Export - confirmation enforcement / compliance. (Not EHC)	Discretionary	Original with seal	NB	75.00	75.00	75.00	0.00%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Private Water Supplies							
Private Water Supplies (England) Regulations 2018 Risk assessment	Statutory	Time taken to carry out the risk assessment (including travel and administration) at the officers hourly rate. This must be carried out at least every five years for each supply.	NB	Up to £500	Up to £500	Cost recovery	N/A
Private Water Supplies (England) Regulations 2018 Sampling visit	Statutory	Time taken to carry out the sampling (including travel and administration) at the (sampling and administration) officers' hourly rate. Charge for a visit and to take a sample + administrative costs (including arranging with laboratory and invoicing).	NB	Up to £100	Up to £100	Cost recovery	N/A
Private Water Supplies (England) Regulations 2018 Investigation e.g. of a complaint or a breach of a regulatory standard	Statutory	Time taken to carry out the investigation (including travel and administration) at the officers hourly rate.	NB	Up to £100	Up to £100	Cost recovery	N/A
Private Water Supplies (England) Regulations 2018 Granting an authorisation	Statutory	Time taken to carry out the work involved in granting an authorisation at the officers and administrative officers hourly rates. This follows an application by the owner of a supply for permission to breach a standard temporarily whilst remedial work is carried out	NB	Up to £100	Up to £100	Cost recovery	N/A
Private Water Supplies (England) Regulations 2018 Sample analysis at a laboratory	Statutory	Actual charge levied by the laboratory up to the maximum. Check monitoring is carried out to ensure that water complies with standards. Where possible it is carried out at the same time as any requirement for audit monitoring, to keep cost down. Single/small supply rates £25 and large/commercial supplies £100.	NB	Up to £100	Up to £100	Cost recovery	N/A
Miscellaneous							
Scrap Metal Site Licence	Discretionary		NB	344.00	354.00	411.00	16.10%
Scrap Metal Collectors Licence	Discretionary		NB	231.00	237.00	275.00	16.03%
Scrap Metal Site Licence - Renewal	Discretionary		NB	231.00	237.00	275.00	16.03%
Scrap Metal Collectors Licence - Renewal	Discretionary		NB	115.00	118.00	137.00	16.10%
Scrap Metal Variations	Discretionary		NB	87.00	89.00	103.00	15.73%
Scrap Metal Replacement Licence	Discretionary		NB	12.50	12.50	14.50	16.00%
Distribution of free printer material - week permit	Discretionary		NB	30.00	31.00	36.00	16.13%
Distribution of free printer material - month permit	Discretionary		NB	55.00	57.00	66.00	15.79%
Distribution of free printer material - year permit	Discretionary		NB	100.00	103.00	119.00	15.53%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Gambling Act							
New small casino	Statutory Maximum	New application	NB	7,316.00	7,535.00	8,000.00	6.17%
		Annual fee	NB	4,153.00	4,277.00	4,962.00	16.02%
		Variation	NB	2,995.00	3,084.00	3,578.00	16.02%
		Transfer	NB	1,741.00	1,794.00	1,800.00	0.33%
		Re-instatement	NB	1,463.00	1,507.00	1,749.00	16.06%
		Provisional statement	NB	7,316.00	7,536.00	8,000.00	6.16%
		Provisional statement holders	NB	2,599.00	2,677.00	3,000.00	12.07%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
New large casino	Statutory Maximum	New application	NB	8,704.00	8,966.00	10,000.00	11.53%
		Annual fee	NB	8,374.00	8,626.00	10,000.00	15.93%
		Variation	NB	3,958.00	4,077.00	4,730.00	16.02%
		Transfer	NB	2,044.00	2,106.00	2,150.00	2.09%
		Re-instatement	NB	2,150.00	2,150.00	2,150.00	0.00%
		Provisional statement	NB	8,753.00	9,016.00	10,000.00	10.91%
		Provisional statement holders	NB	4,299.00	4,428.00	5,000.00	12.92%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Regional casino	Statutory Maximum	New application	NB	13,787.00	14,201.00	15,000.00	5.63%
		Annual fee	NB	12,929.00	13,317.00	15,000.00	12.64%
		Variation	NB	6,458.00	6,652.00	7,500.00	12.75%
		Transfer	NB	4,710.00	4,852.00	5,629.00	16.01%
		Re-instatement	NB	4,710.00	4,852.00	5,629.00	16.01%
		Provisional statement	NB	13,787.00	14,201.00	15,000.00	5.63%
		Provisional statement holders	NB	6,713.00	6,915.00	8,000.00	15.69%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Gambling Act							
Bingo club	Statutory Maximum	New application	NB	2,505.00	2,581.00	2,994.00	16.00%
		Annual fee	NB	780.00	804.00	933.00	16.04%
		Variation	NB	1,715.00	1,750.00	1,750.00	0.00%
		Transfer	NB	952.00	981.00	1,138.00	16.00%
		Re-instatement	NB	952.00	981.00	1,138.00	16.00%
		Provisional statement	NB	2,505.00	2,581.00	2,994.00	16.00%
		Provisional statement holders	NB	1,035.00	1,067.00	1,200.00	12.46%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Betting Premises (excluding tracks)	Statutory Maximum	New application	NB	2,549.00	2,626.00	3,000.00	14.24%
		Annual fee	NB	506.00	522.00	600.00	14.94%
		Variation	NB	1,448.00	1,492.00	1,500.00	0.54%
		Transfer	NB	952.00	981.00	1,138.00	16.00%
		Re-instatement	NB	952.00	981.00	1,138.00	16.00%
		Provisional statement	NB	2,505.00	2,581.00	2,994.00	16.00%
		Provisional statement holders	NB	1,035.00	1,067.00	1,200.00	12.46%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Tracks	Statutory Maximum	New application	NB	1,959.00	2,018.00	2,341.00	16.01%
		Annual fee	NB	780.00	804.00	933.00	16.04%
		Variation	NB	1,250.00	1,250.00	1,250.00	0.00%
		Transfer	NB	950.00	950.00	950.00	0.00%
		Re-instatement	NB	950.00	979.00	950.00	-2.96%
		Provisional statement	NB	1,959.00	2,018.00	2,341.00	16.01%
		Provisional statement holders	NB	950.00	950.00	950.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Gambling Act							
Family Entertainment Centres	Statutory Maximum	New application	NB	1,959.00	2,000.00	2,000.00	0.00%
		Annual fee	NB	674.00	695.00	750.00	7.91%
		Variation	NB	886.00	913.00	1,000.00	9.53%
		Transfer	NB	950.00	950.00	950.00	0.00%
		Re-instatement	NB	950.00	950.00	950.00	0.00%
		Provisional statement	NB	1,959.00	2,000.00	2,000.00	0.00%
		Provisional statement holders	NB	857.00	883.00	950.00	7.59%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Adult Gaming Centre	Statutory Maximum	New application	NB	1,959.00	2,000.00	2,000.00	0.00%
		Annual fee	NB	785.00	809.00	939.00	16.07%
		Variation	NB	886.00	913.00	1,000.00	9.53%
		Transfer	NB	952.00	981.00	1,138.00	16.00%
		Re-instatement	NB	952.00	981.00	1,138.00	16.00%
		Provisional statement	NB	1,959.00	2,000.00	2,000.00	0.00%
		Provisional statement holders	NB	1,032.00	1,063.00	1,200.00	12.89%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Temporary Use Notices	Statutory Maximum	New application	NB	216.00	223.00	259.00	16.14%
		Copy licence	NB	25.00	25.00	25.00	0.00%
Licensed Premises Gaming Machine Permit	Statutory Maximum	Grant	NB	150.00	150.00	150.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Transfer	NB	25.00	25.00	25.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Gambling Act							
Lottery Registration	Statutory Maximum	New Application	NB	40.00	40.00	40.00	0.00%
		Renewal	NB	20.00	20.00	20.00	0.00%
Licensed Premises Automatic Notification Process	Statutory Maximum	Notification	NB	50.00	50.00	50.00	0.00%
Club Gaming Permits	Statutory Maximum	Grant	NB	200.00	200.00	200.00	0.00%
		Grant (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Renewal	NB	200.00	200.00	200.00	0.00%
		Renewal (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Club Machine Permits	Statutory Maximum	Grant	NB	200.00	200.00	200.00	0.00%
		Grant (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Renewal	NB	200.00	200.00	200.00	0.00%
		Renewal (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Family Entertainment Centre Gaming Machine Permit	Statutory Maximum	Grant	NB	300.00	300.00	300.00	0.00%
		Renewal	NB	300.00	300.00	300.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Gambling Act							
Prize Gaming Permits	Statutory Maximum	Grant	NB	300.00	300.00	300.00	0.00%
		Renewal	NB	300.00	300.00	300.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
		Annual Fee	NB	20.00	20.00	20.00	0.00%
Hackney Carriage/Private Hire *							
Hackney Carriage & Private Hire Drivers Licence	Discretionary	For 1 year	NB	72.00	75.00	92.00	22.67%
		For 3 years	NB	149.00	154.00	190.00	23.38%
Vehicle Licence	Discretionary	New	NB	335.00	346.00	346.00	0.00%
		Renewal	NB	300.00	305.00	305.00	0.00%
Additional Hackney Carriage & Private Hire Drivers licence	Discretionary		NB	31.00	32.00	37.00	15.63%
Private Hire Operators	Discretionary	1-3 Vehicles	NB	143.00	148.00	200.00	35.14%
		4-10 Vehicles	NB	474.00	483.00	590.00	22.15%
		11-20 Vehicles	NB	947.00	960.00	1,114.00	16.04%
Drivers Badge (replacement)	Discretionary		NB	12.50	13.00	15.00	15.38%
Fee for Returned (Bounced) Cheques	Discretionary		NB	17.50	19.00	22.00	15.79%
Transfer of vehicle licence (including plate)	Discretionary		NB	35.00	38.00	46.00	21.05%
Replacement Plate (internal/external)	Discretionary		NB	21.00	22.00	26.00	18.18%
Additional Vehicle under an Operators Licence	Discretionary	Category 1-3	NB	141.00	146.00	200.00	36.99%
	Discretionary	Category 4-10	NB	328.00	334.00	415.00	24.25%
	Discretionary	Category 11-20	NB	475.00	483.00	560.00	15.94%
Replacement Licence	Discretionary		NB	12.50	13.00	15.00	15.38%
Hackney carriage knowledge test	Discretionary		NB	59.00	61.00	71.00	16.39%
DBS	Set by Home Office		NB	40.00	38.00	38.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24							
LICENSING FEES							
Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Environmental Protection							
Contaminated land conveyance searches	Discretionary		NB	25.00	25.00	25.00	0.00%

VAT Indicator:
NB = Non Business no VAT
EX = Exempt from VAT
VT = Exclusive of VAT

* Last year saw a large overhaul of charges hence the variances on some fees.

DISCRETIONARY & STATUTORY FEES 2023/24

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Season Tickets (Ashford)						
	Flour Mills car park 1 month	VT	74.00	74.00	74.00	0.00%
	Flour Mills car park 3 months	VT	210.00	210.00	210.00	0.00%
	Flour Mills car park 6 months	VT	396.00	396.00	396.00	0.00%
	Flour Mills car park 12 months	VT	742.00	742.00	742.00	0.00%
	Town Centre 1 month	VT	83.00	83.00	83.00	0.00%
	Town Centre 3 Months	VT	236.00	236.00	236.00	0.00%
	Town Centre 6 Months	VT	445.00	445.00	445.00	0.00%
	Town Centre 12 Months	VT	836.00	836.00	836.00	0.00%
	Henwood Parking Area 1 month	VT	59.00	59.00	59.00	0.00%
	Henwood Parking Area 3 months	VT	168.00	168.00	168.00	0.00%
	Henwood Parking Area 6 months	VT	316.00	316.00	316.00	0.00%
	Henwood Parking Area 12 months	VT	594.00	594.00	594.00	0.00%
	Henwood Business Permit 12 months	VT	360.00	360.00	360.00	0.00%
Season Tickets (Tenterden)						
	Bridewell Lane car park 1 month	VT	83.00	83.00	83.00	0.00%
	Bridewell Lane car park 3 months	VT	236.00	236.00	236.00	0.00%
	Bridewell Lane car park 6 months	VT	445.00	445.00	445.00	0.00%
	Bridewell Lane car park 12 months	VT	863.00	863.00	863.00	0.00%
	Bridewell Lane Reserved 12 months	VT	1,672.00	1,672.00	1,672.00	0.00%
	<i>*Season Tickets issued for Bridewell Lane car park are also valid in the rear car park at Tenterden Leisure Centre</i>					
	Admin Charge for loss of season ticket	VT	10.00	10.00	10.00	0.00%
	Admin Charge for refund of Season ticket	VT	10.00	10.00	10.00	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Residents Permits						
	Zone A Annual	NB	125.00	125.00	125.00	0.00%
	Zone B Annual	NB	55.00	55.00	55.00	0.00%
	Zone B Annual - Off Street Residents Parking Permit	VT	135.00	135.00	135.00	0.00%
	Zone D Annual	NB	35.00	35.00	35.00	0.00%
	Zone E Annual	NB	35.00	35.00	35.00	0.00%
	Zone F Annual	NB	35.00	35.00	35.00	0.00%
	Zone G Annual	NB	35.00	35.00	35.00	0.00%
Other Permits						
	Visitor's permits each	EX	1.00	1.00	1.00	0.00%
	HPA parking permit annual	VT	760.00	760.00	760.00	0.00%
	DSA parking permit annual	VT	760.00	760.00	760.00	0.00%
	International House permit discounted 12 months	VT	380.00	380.00	380.00	0.00%
	International House permit full price 12 months	VT	760.00	760.00	760.00	0.00%
Misc Charges						
	Waivers/Dispensations - per week or part week	VT	30.00	30.00	30.00	0.00%
	Waivers/Dispensations - Additional Charge for occupying on street pay and display bay, per bay per day (only applies for individual days if fully week £30 charge applies effectively 2 days free)	VT	10.00	10.00	10.00	0.00%
	Waivers/Dispensations - Additional Charge for occupying on street pay and display bay, per bay per week	VT	30.00	30.00	30.00	0.00%
	Bay Suspensions per week	VT	50.00	50.00	50.00	0.00%
	Replacement of lost cones per cone	VT	20.00	20.00	20.00	0.00%
	Locked car park-vehicle release fee	VT	55.00	55.00	55.00	0.00%
	Clamping release fee - Day	VT	40.00	40.00	40.00	0.00%
	Clamping release fee - Night	VT	150.00	150.00	150.00	0.00%
	Printing Charges Up to 5 pages per page	VT	0.50	0.50	0.50	0.00%
	Printing Charges more than 5 pages per page	VT	0.10	0.10	0.10	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Car Park Charges (Ashford)						
	Civic Centre and Stour Centre car park per hour over 2 hours. Linear Charge in 5p increments	VT	1.20	1.20	1.20	0.00%
	Civic Centre and Stour Centre car park charge over 4 hours Mon-Fri	VT	12.00	12.00	12.00	0.00%
	Civic Centre and Stour Centre car park charge over 4 hours Sat and Sun	VT	5.50	5.50	5.50	0.00%
	Civic Centre and Stour Centre car park per hour Coach Charge (Linear Charge in 5p increments)	VT	1.85	1.85	1.85	0.00%
	Civic Centre and Stour Centre car park Coach charge over 4 hours	VT	12.00	12.00	12.00	0.00%
	Dover Place car park per hour	VT	1.20	1.20	1.20	0.00%
	Dover Place car park over 4 hours	VT	5.50	5.50	5.50	0.00%
	Elwick Road car park per hour	VT	1.20	1.20	1.20	0.00%
	Elwick Road car park over 4 hours	VT	5.50	5.50	5.50	0.00%
	Elwick Place car park up to 2 hours	VT	2.40	2.40	2.40	0.00%
	Elwick Place car park up to 3 hours	VT	3.60	3.60	3.60	0.00%
	Elwick Place car park up to 4 hours	VT	4.80	4.80	4.80	0.00%
	Elwick Place car park up to 5 hours	VT	6.00	6.00	6.00	0.00%
	Elwick Place car park over 5 hours	VT	12.00	12.00	12.00	0.00%
	Elwick Place car park Travelodge	VT	7.50	7.50	7.50	0.00%
	Edinburgh Road car park per hour	VT	1.20	1.20	1.20	0.00%
	Edinburgh Road car park charge over 4 hours	VT	5.50	5.50	5.50	0.00%
	Flour Mills car park per hour	VT	1.20	1.20	1.20	0.00%
	Flour Mills car park charge over 4 hours	VT	4.80	4.80	4.80	0.00%
	Henwood car park per hour	VT	1.00	1.00	1.00	0.00%
	Henwood car park charge over 4 hours	VT	4.00	4.00	4.00	0.00%
	Station Road Ashford car park per hour	VT	1.20	1.20	1.20	0.00%
	Station Road Ashford car park charge over 4 hours	VT	5.50	5.50	5.50	0.00%
	Vicarage Lane car park per hour	VT	1.20	1.20	1.20	0.00%
	Vicarage Lane car park charge over 4 hours	VT	12.00	12.00	12.00	0.00%
	Victoria Road car park per hour ** (new car park)	VT	n/a	1.20	1.20	0.00%
	Victoria Road car park charge over 4 hours ** (new car park)	VT	n/a	5.50	5.50	0.00%

DISCRETIONARY & STATUTORY FEES 2023/24

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Proposed Charge 2023/24 £	Increase / Decrease on 2022/23 %
Car Park Charges (Tenterden)						
	Bridewell Lane car park per hour	VT	1.20	1.20	1.20	0.00%
	Bridewell Lane car park over 4 hours	VT	5.50	5.50	5.50	0.00%
	Recreation Ground Road car park per hour	VT	1.20	1.20	1.20	0.00%
	Recreation Ground Road car park over 4 hours	VT	12.00	12.00	12.00	0.00%
	Station Road car park Tenterden per hour	VT	1.20	1.20	1.20	0.00%
	Station Road car park Tenterden over 4 hours	VT	12.00	12.00	12.00	0.00%
	Station Road car park Tenterden per hour Coach charge	VT	1.85	1.85	1.85	0.00%
	Station Road car park Tenterden over 4 hours coach charge	VT	12.00	12.00	12.00	0.00%
	Tenterden Leisure Centre car park per hour	VT	1.20	1.20	1.20	0.00%
	Tenterden Leisure Centre car park over 4 hours	VT	12.00	12.00	12.00	0.00%
	Tenterden Leisure Centre car park Coach charge per hour	VT	1.85	1.85	1.85	0.00%
	Tenterden Leisure Centre car park Coach charge over 4 hours	VT	12.00	12.00	12.00	0.00%
On Street Parking Charges						
	Charge per hour before 6pm	NB	1.20	1.20	1.20	0.00%
	Charge after 6pm for parking up to 1 hour	NB	1.20	1.20	1.20	0.00%
	Charge after 6pm for parking over one hour	NB	3.30	3.30	3.30	0.00%
Penalty Charge Notices						
	Lower level	NB	50.00	50.00	50.00	0.00%
	Higher level	NB	70.00	70.00	70.00	0.00%
Where an actual recharge (based on hours worked) exceeds minimum figures above, the actual charge is to be levied unless commercial in which case an uplift of a minimum of 50% should be considered with Team Leader or Head of Service.						

VAT Indicator:

EX = Exempt from VAT

VT = Inclusive of VAT

NB = Non Business no VAT

DISCRETIONARY & STATUTORY FEES 2023/24

LEGAL & ELECTORAL SERVICES

Legal Fees

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
S9 Agreements	(including caution/note on Register) ** This is a minimum level of charge (see note below)	NB	330.00	340.00	394.00	15.88%
S9 Transfers	Plus Land Registry Fees. ** This is a minimum level of charge (see note below)	NB	330.00	340.00	394.00	15.88%
S106 (and supplementary) deeds	** This is a minimum level of charge (see note below)	NB	961.00	990.00	1,148.00	15.96%
Grazing Licences		NB	121.00	125.00	145.00	16.00%
Licences to Assign	** This is a minimum level of charge (see note below)	NB	220.00	227.00	263.00	15.86%
Sales or Easements	Up to £2,500 in value. ** This is a minimum level of charge (see note below)	NB	315.00	324.00	376.00	16.05%
Sales or Easements	over £2,500 in value - Basic Fee Charge as listed plus 1% of actual sale price. ** This is a minimum level of charge (see note below)	NB	354.00	365.00	423.00	15.89%
Commercial Leases	** This is a minimum level of charge (see note below)	NB	343.00	353.00	409.00	15.86%
Commercial lease renewals	** This is a minimum level of charge (see note below)	NB	232.00	239.00	277.00	15.90%
Surrenders	** This is a minimum level of charge (see note below)	NB	210.00	216.00	251.00	16.20%
Landlord consent etc	** This is a minimum level of charge (see note below)	NB	111.00	114.00	132.00	15.79%
Transfer of Equity (mortgage)	** This is a minimum level of charge (see note below)	NB	233.00	240.00	278.00	15.83%
Redemptions	** This is a minimum level of charge (see note below)	NB	121.00	125.00	145.00	16.00%
Mortgagees Enquiries	** This is a minimum level of charge (see note below)	NB	219.00	226.00	262.00	15.93%
Deed of Postponement	** This is a minimum level of charge (see note below)	NB	100.00	103.00	119.00	15.53%
Release of expired Statutory Charge	** This is a minimum level of charge (see note below)	NB	107.00	110.00	128.00	16.36%

DISCRETIONARY & STATUTORY FEES 2023/24

LEGAL & ELECTORAL SERVICES

Legal Fees

Item	Description/Comments	VAT Indicator	Charge 2021/22 £	Charge 2022/23 £	Charge 2023/24 £	Increase / Decrease on 2022/23 %
Waiver (Improvement Grant)	** This is a minimum level of charge (see note below)	NB	107.00	110.00	128.00	16.36%
Notice of Charge	** This is a minimum level of charge (see note below)	NB	77.00	79.00	92.00	16.46%
Counterpart Lease	** This is a minimum level of charge (see note below)	NB	77.00	79.00	92.00	16.46%
Engross Transfer/conveyance	** This is a minimum level of charge (see note below)	NB	56.00	58.00	67.00	15.52%
Notice to Assign	** This is a minimum level of charge (see note below)	NB	77.00	79.00	92.00	16.46%
Wayleaves	** This is a minimum level of charge (see note below)	NB	193.00	199.00	231.00	16.08%

** **IMPORTANT NOTE:** The above represent a minimum level of charge, not a fixed level of charge.

Where the commercial value of the time worked on a matter exceeds the minimum charge stated above, the commercial value of the time (at a fair and reasonable hourly rate reflecting the skill and knowledge applied by the fee-earner; the urgency, importance, complexity and novelty of the work; the value involved; and all other relevant circumstances) will be charged unless it is deemed by the The Solicitor to the Council (or, in his absence, a Principal Solicitor) to be inappropriate or unreasonable to charge the full commercial value.

Electoral Services

Postal votes pack	Postal votes pack (Charge to Parish Councils for by-elections)	VT	Actual	Actual	Actual	
Poll Cards	Poll card (Charge to Parish Councils for by-elections)	VT	Actual	Actual	Actual	
	Statutory Charges (restricted availability for full register and overseas lists)					
Sales of full and edited register	Data £20 plus £1.50 per 1,000 entries or part of 1,000	NB	21.50	21.50	21.50	0.00%
Sales of full and edited register	Printed £10 plus £5 per 1,000 or part of 1,000	NB	15.00	15.00	15.00	0.00%
Overseas electors List	Data £20 plus £1.50 per 100 entries or part of 100	NB	21.50	21.50	21.50	0.00%
Overseas electors List	Printed £10 plus £1.50 per 100 or part of 100	NB	11.50	11.50	11.50	0.00%

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

VT = Inclusive of VAT

Equality Impact Assessment

Lead officer:	Head of Finance and IT
Decision maker:	Full Council
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	The report contains the annual budget for 2023/24 which supports the new Corporate Plan (including the medium term financial plan) and individual service plans
Date of decision: The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	Approved annually (February each year)
Summary of the proposed decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	<p>The budgets role is to set council tax and rent levels, providing a framework to measure performance and to allocate resources to match the priorities established within the Corporate Plan.</p> <p>The Members are asked to approve the revenue and capital budgets for both the General Fund and the Housing Revenue Account for 2023/24 and associated recommendations.</p> <p>Approve the capital strategy, investment strategy treasury strategy, investment policy and fees and charges for 2023/24.</p> <p>The budget affects the whole borough and its population.</p>
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed the decision. • Include sources and key findings. 	<p>Budget Monitoring reports for the current year 2022/23 –September/November/February Cabinet reports.</p> <p>MTFP Cabinet report – October Cabinet</p> <p>Draft Budget report – November Cabinet</p> <p>HRA Business Plan – December Cabinet</p> <p>Budget Scrutiny (O&S) task group – throughout December and January, each service and budget area scrutinised with further focus on key areas of risk.</p> <p>Public consultation December to mid February</p> <p>JCC – staff consultation January</p>

<p>Consultation:</p> <ul style="list-style-type: none"> • What specific consultation has occurred on this decision? • What were the results of the consultation? • Did the consultation analysis reveal any difference in views across the protected characteristics? • What conclusions can be drawn from the analysis on how the decision will affect people with different protected characteristics? 	<p>Budget Scrutiny (O&S) task group – throughout December and January, each service budget area scrutinised, a report from the task group is referenced within this report. Full report to full meeting of O&S in February 2023.</p> <p>JCC – staff consultation January 2023.</p> <p>Public consultation late December to mid-February – Borough wide consultation, communicated via website and appropriate media channels.</p> <p>Responses to public consultation will be published at February 2023 Cabinet.</p>	
<p>Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.</p> <p>When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.</p>		
Protected characteristic	Relevance to Decision High/Medium/Low/None	Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral
<p><u>AGE</u></p> <p>Elderly</p>	<p>Low/Medium</p>	<p>Positive Minor– No contribution required through Council Tax support</p>
<p>Middle age</p>	<p>Low</p>	<p>Negative Minor – Increased level of contribution through Council Tax Support Scheme.</p>

Appendix E

Young adult	Low	<p>Negative Minor - The provision of some services is not even across the borough (rural areas).</p> <p>Negative Minor – Increased level of contribution through Council Tax Support Scheme.</p>
Children	None	
<u>DISABILITY</u> Physical	Low/Medium	<p>Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people</p> <p>Negative – Disabled Facility grants budgets are usually lower than demand</p>
Mental	Low	<p>Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people</p>
Sensory	Low	<p>Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people</p>
<u>GENDER RE-ASSIGNMENT</u>	None	
<u>MARRIAGE/CIVIL PARTNERSHIP</u>	None	

<u>PREGNANCY/MATERNITY</u>	None	
<u>RACE</u>	None	
<u>RELIGION OR BELIEF</u>	None	
<u>SEX</u>	None	
Men		
Women	None	
<u>SEXUAL ORIENTATION</u>	None	
<p>Mitigating negative impact: Where any negative impact has been identified, outline the measures taken to mitigate against it.</p>	<p>The negative impacts relate to the Council Tax Support scheme which was introduced in 2017/18 and requires middle aged and young adults to contribute to Council Tax when in receipt of benefit. This was an agreed policy following consultation and therefore no mitigation is recommended.</p>	

Is the decision relevant to the aims of the equality duty?

Guidance on the aims can be found in the EHRC's *Essential Guide*, alongside fuller *PSED Technical Guidance*.

Aim	Yes / No / N/A
1) Eliminate discrimination, harassment and victimisation	n/a
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	n/a
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	n/a

<p>Conclusion:</p> <ul style="list-style-type: none"> • Consider how due regard has been had to the equality duty, from start to finish. • There should be no unlawful discrimination arising from the decision (see guidance above). • Advise on whether the proposal meets the aims of the equality duty or whether adjustments have been made or need to be made or whether any residual impacts are justified. • How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported? 	<p>There has been a full consultation process and Equalities Impact Assessment for the local council tax reduction scheme.</p> <p>Individual Services will look at discrimination for service provision, if a regular theme of those reviews suggests that financial resources are the key factor baring minorities from accessing our services then perhaps we need to elevate this higher.</p>
<p>EIA completion date:</p>	<p>23 January 2023</p>

Budget Housing Revenue Account 2023/24

SUBJECTIVE ANALYSIS - 2023/24 ESTIMATE						
Housing Revenue Account						
	Supervision & Management	Income	New Builds	Other	Repairs & Maintenance	Total
EXPENDITURE						
Employees	2,480,470	-	5,500	-	862,020	3,347,990
Premises	1,232,310	-	-	-	4,352,800	5,585,110
Supplies and Services	801,830	-	101,830	210,000	26,500	1,140,160
Transport	125,190	-	-	-	31,890	157,080
TOTAL EXPENDITURE	4,639,800	-	107,330	210,000	5,273,210	10,230,340
INCOME						
Grants	-	-	-	(2,999,850)	-	(2,999,850)
Fees & Charges	(48,970)	(30,346,700)	(8,000)	-	(37,000)	(30,440,670)
TOTAL INCOME	(48,970)	(30,346,700)	(8,000)	(2,999,850)	(37,000)	(33,440,520)
NET CONTROLLABLE EXPENDITURE	4,590,830	(30,346,700)	99,330	(2,789,850)	5,236,210	(23,210,180)
NON CONTROLLABLE ITEMS						
Support Services	2,065,560	-	6,010	828,220	97,150	2,996,940
Capital Charges	-	-	-	21,576,540	-	21,576,540
Recharges	(124,620)	-	-	(94,080)	-	(218,700)
Transfers to/from Reserves	-	-	-	-	-	-
TOTAL NON-CONTROLLABLE ITEMS	1,940,940	-	6,010	22,310,680	97,150	24,354,780
NET EXPENDITURE	6,531,770	(30,346,700)	105,340	19,520,830	5,333,360	1,144,600

Capital Programme 2023/24 - 2025/26						
	Current budget	Previous Exp	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Property and Projects						
Planned Minor Capital Works for General Fund Assets	2,000	0	500	500	500	500
Ellingham Roof	800	0	22	778	0	0
Victoria Park Fountain & Carpark	510	0	0	510	0	0
Provisional for Economic Investment & Regeneration Board	8,000	0	2,000	2,000	2,000	2,000
Property Company Acquisitions - based on current business plan	172,755	37,755	23,000	16,000	26,000	35,000
International House Works	2,050	0	65	1,985	0	0
Solar PV (various sites)	10,800	46	50	3,100	7,028	577
Stodmarsh	24,705	5	200	12,250	12,250	0
Newtown Works Phase 1	72,499	0	9,300	32,000	31,199	0
Newtown Works Phase 2	58,000	0	0	29,000	29,000	0
Newtown Works Levelling Up Fund	14,774	0	4,856	6,636	3,282	0
Project Green	70,009	9	2,000	34,000	34,000	0
Street Lighting Replacement	1,100	811	289	0	0	0
Vicarage Lane redevelopment - Phase 1	10,664	4,362	1,302	5,000	0	0
Total - Corporate Property and Projects	448,666	42,988	43,584	143,759	145,259	38,077
Community & Housing						
Henwood Temporary Accommodation	6,200	90	300	5,810	0	0
Rough Sleepers Accommodation Programme	3,287	379	1,172	1,736	0	0
External Funding	(1,029)	(251)	(459)	(319)	0	0
	2,258	128	713	1,417	0	0
Mandatory Disabled Facility Grants						
Expenditure	4,068	0	984	1,028	1,028	1,028
External Funding	(3,708)	0	(894)	(938)	(938)	(938)
	360	0	90	90	90	90
Total - Community & Housing	13,555	469	2,456	8,574	1,028	1,028
Information Technology						
Digital Transformation	650	119	320	211	0	0
Council Chamber AV Replacement & Hybrid Meetings	151	0	0	151	0	0
Total - Information Technology	801	119	320	362	0	0
Culture & the Environment						
Single Grants Gateway Fund	300	0	75	75	75	75
Victoria Park Rejuvenation Project	4,169	231	2,438	1,500	0	0
Courtside Pitchside Replacement 3G & Lighting	300	36	264	0	0	0
Conningbrook Lakes Country Park development	2,353	26	432	890	1,006	0
Tenterden Decarbonisation Works	2,476	0	2,476	0	0	0
Play Parks	1,100	0	1,100	0	0	0
External Funding	(7,752)	(257)	(5,144)	(1,346)	(1,006)	0
	2,946	36	(1,935)	1,119	75	75
Total Culture & the Environment	10,698	293	6,785	2,465	1,081	75
Community Safety and Wellbeing						
Automatic Number Plate Recognition	320	95	0	225	0	0
Total Community Safety and Wellbeing	320	95	0	225	0	0
General Fund Total	474,040	43,964	53,145	155,385	147,368	39,180
HRA Capital Works - as current business plan						
Programmed Works	26,662	Ongoing	4,054	4,406	3,572	8,000
Adaptions to Disabled Properties	3,076	0	1,076	500	500	500
Play Areas	298	178	62	58	0	0
Street Purchases	29,490	28,790	700	0	0	0
Digitalisation	60	0	20	20	20	0
Decarbonisation	18,400	0	0	6,000	6,000	1,600
Lifeline	274	0	52	54	56	56
Court Wurtin	275	0	166	109	0	0
55 Mableton (Piper Joinery)	7,552	2,052	0	0	0	700
Oakleigh House	15,257	257	200	0	0	5,000
Coneybeare	7,700	0	0	1,700	1,500	1,500
Tile Kiln	6,924	1,124	0	0	500	2,650
Infill Sites	5,100	0	0	0	0	0
Monypenny & Vicarage	10,500	0	0	0	4,000	5,000
Millview	800	0	0	200	600	0
Pym House	8,500	0	0	0	0	0
Repton Medical Centre	6,000	0	0	0	500	3,000
Hope House AR - High Halden s106	3,200	0	0	0	3,200	0
Hope House SO - High Halden s106	914	0	0	0	914	0
	150,982	32,401	6,330	13,047	21,362	28,006
Total HRA	150,982	32,401	6,330	13,047	21,362	28,006
Total Capital Spend	625,022	76,365	59,475	168,432	168,730	67,186

Appendix G

Capital Programme 2023/24 - 2025/26						
	Current budget £'000	Previous Exp £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
CAPITAL SUMMARY						
Corporate Property and Projects	448,666	42,988	43,584	143,759	145,259	38,077
Community & Housing	13,555	469	2,456	8,574	1,028	1,028
Information Technology	801	119	320	362	0	0
Culture & the Environment	10,698	293	6,785	2,465	1,081	75
Community Safety and Wellbeing	320	95	0	225	0	0
GENERAL FUND	474,040	43,964	53,145	155,385	147,368	39,180
	0	0	0	0	0	0
HOUSING REVENUE ACCOUNT	150,982	32,401	6,330	13,047	21,362	28,006
	0	0	0	0	0	0
TOTAL CAPITAL PROGRAMME	625,022	76,365	59,475	168,432	168,730	67,186
Funding Statement 2023/24 - 2024/25						
	Current budget £'000	Previous Exp £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Funding Source						
Capital Receipts - HRA	40,940	28,790	1,140	2,654	2,001	2,333
Capital Receipts - GF	1,050	90	465	165	165	165
Borrowing HRA	68,395	3,433	0	2,488	11,771	14,203
Borrowing GF	442,280	43,211	39,441	144,573	141,977	38,077
External grants & contributions HRA	11,875	143	62	3,000	3,518	2,970
External grants & contributions GF	27,300	544	11,352	9,239	5,226	938
Major Repairs Reserve HRA	29,738	0	5,130	4,906	4,072	8,500
Other Reserve HRA	34	34	0	0	0	0
Other Reserve GF	3,411	119	1,886	1,406	0	0
	625,022	76,365	59,475	168,432	168,730	67,186
External Grants						
Homes & Communities Agency (HCA)	6,699	251	459	319	518	2,970
Section 106	3,176	62	762	1,346	1,006	0
Heritage Lottery fund	2,540	231	2,308	0	0	0
Better Care Fund - Disabled Facility Grants	3,708	0	894	938	938	938
Public Sector Decarbonisation Scheme Grant	8,011	0	2,011	3,000	3,000	0
KCC - Contain Outbreak Management Fund (COMF)	177	143	34	0	0	0
Changing Places	90	0	90	0	0	0
Department for Levelling Up	14,774	0	4,856	6,636	3,282	0
	39,175	687	11,414	12,239	8,744	3,908

Capital Strategy Report 2023/24

Introduction

The capital strategy was a new requirement introduced in 2019/20 under the revised CIPFA Prudential code 2018. CIPFA published their updated 2021 edition of the Prudential Code on 20 December 2021. Although the principles of the updated Code apply with immediate effect, however due to the late publication date Local Authorities are permitted to defer introducing the revised reporting requirements until the 2023/24 financial year. The main updates surround investments, risks, absorbing losses and using prudential indicators. Further inclusions were capital expenditure plans and investment plans to ensure that they are affordable and proportionate; and that all external borrowing and other long-term liabilities are within prudent and sustainable levels; that the risks associated with investments for commercial purposes are proportionate to their financial capacity and that treasury management decisions are taken in accordance with good professional practice. Reporting on and clearly distinguishing investments for treasury management, service, and commercial purposes, providing a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management activity will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government, this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2023/24, the Council is planning capital expenditure of just under £169m as summarised below:

Table 1. Capital Expenditure

	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
General Fund services	53,415	155,385	147,368	39,180
Council Housing (HRA)	6,330	13,047	21,362	28,006
Total Expenditure	59,475	168,432	168,730	67,186

The main General Fund capital projects included for 2023/24 are listed below:

- £16m of loans to the Council's subsidiary A Better Choice for Property Ltd
- £68m Newtown Works
- £34m Project Green
- £12m Stodmarsh
- £1.9m International House
- £5.8m Henwood

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.

The capital expenditure for the HRA is significant over the next few years and supports the ambition of the HRA in delivering its business plan which was presented to Cabinet in December 2022, and looks to significantly increase its housing stock numbers through new developments, and the purchase of old housing stock from the open market.

Governance

Service managers prepare Project Initial Documents (PID's) throughout the year. The PID's are supported by input from relevant professional colleagues such as Accountants, Planners and Legal specialists before presentation to Management Team. The Management Team will appraise all projects based on a comparison of service priorities, value for money, affordability and sustainability. Projects that meet an acceptable risk and return criteria will be included in the authorities capital programme. Some projects will be included as provisional figures awaiting further work to determine the final cost, but are included to give an idea of the overall level of resource commitment by the Council. The final capital programme is then presented to Cabinet in February each year in the final budget report.

- Full details of the Council's capital programme were reported to Cabinet on the 23 February 2023 as part of the 2023/24 budget report.

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). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Capital Receipts	1,605	2,819	2,166	2,498
Reserves	7,016	6,312	4,072	8,500
Borrowing	39,441	471,061	153,748	42,280
External Grants	11,414	12,239	8,744	3,908
Total Financing	59,475	168,432	168,730	67,186

Borrowing 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). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance, the £73m shown in 2025/26 relates to the forecast disposal of the New Town Works Development. Planned MRP, capital and housing contributions are as follows:

Table 3: Replacement of debt finance

	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
MRP	1,483	1,719	1,974	2,032
Capital Receipts	0	0	0	73,000
GF Debt Repayment	750	750	750	750
HRA Debt Repayment	2,850	3,850	3,850	1,850
HRA PFI Repayment	1,089	1,039	1,026	950
Total Repayment	6,172	7,358	7,600	78,582

The Council's minimum revenue provision was reported to Cabinet on the 23 February 2023 as part of the 2023/24 budget report.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is forecast to be circa £310m as at the 31 March 2023. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	31.03.23 Revised £'000	31.03.24 Estimate £'000	31.03.25 Estimate £'000	31.03.26 Estimate £'000
General Fund	151,294	293,398	432,651	467,946
HRA	158,460	156,059	162,954	174,357
Total CFR	309,754	449,457	595,605	642,303

Asset management:

To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy. The strategy recognises the critical role that real estate plays both in service delivery and in supporting the delivery of the Recovery Plan and future Corporate Plans and seeks to align property management in the wider sense to the corporate vision, plan and policies.

- The Council's Corporate Property Asset Management Strategy 2020-2024 was approved by Cabinet on the 25 June 2020.

Asset disposals:

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

Property is identified for disposal on the following criteria:

- It makes no contribution to the delivery of the Council's services or Corporate priorities nor generates any income and it has no potential for the future service delivery or strategic, regeneration, redevelopment purposes or
- Property or land site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic, regeneration, redevelopment purposes.
- The Council's Property Acquisition and Disposal Strategy can be made available upon request.

Treasury Management

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, to avoid excessive credit balances or overdrafts in the bank current account.

Where the Council has cash injections through the year from income and grants, these surpluses are offset against capital cash shortfalls to reduce overall level of borrowing in year.

Due to decisions taken in the past, the Council currently (as at 31 December 2022) has £91m of short term borrowing at an average interest rate of circa 2.97% and long term borrowing of £126m. £98m relates to the HRA buy out, this debt is largely fixed with an average rate of around 3%. £13.5m relates to GF borrowing and a further £15.3m of HRA borrowing, with the interest rate for both loans being 1.56%. The Council as at the 31 December 2022 also had £39m of investments which had an average rate of circa 3.9%.

Borrowing strategy: The Council's current strategy is to take short term borrowing to minimise the impact of the rapid increases in interest rates that have occurred throughout 2022/23. It anticipates that there will be a further rate increase to 4.25% although interest rates are then anticipated to start reducing towards Spring 2024, although only back to 3/3.5%. The Council will monitor PWLB and other long term debt financing option and if an opportunity presents then a decision will be made accordingly in conjunction with external advisors. Current rates for short term borrowing rate are in the region of 4% (0.07% in 2021/22) whereas 25 year fixed rate maturity borrowing from the PWLB is circa 4.7% (including certainty rate as at 13 February 2023).

Projected levels of the Council's total outstanding debt shown below, compared with the capital financing requirement as shown at **Table 4** above.

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.03.23 Estimate £'000	31.03.24 Estimate £'000	31.03.25 Estimate £'000	31.03.26 Estimate £'000
Total Debt	(285,700)	(424,666)	(561,131)	(603,252)
Total CFR	309,754	449,457	595,605	642,303

Statutory guidance is that debt should remain below the capital financing requirement and compliance with this requirement can be seen above in **Table 5**.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised limit and operational boundary for external debt.

Authorised Limit for Borrowing	2022/23 Limit	2023/24 Limit	2024/25 Limit	2025/26 Limit
	£'000	£'000	£'000	£'000
Borrowing	600,000	880,000	1,154,000	1,240,000
Other long-term liabilities	23,000	23,000	23,000	23,000
Total Debt	623,000	903,000	1,177,000	1,263,000

Operational Boundary for Borrowing	2022/23 Limit	2023/24 Limit	2024/25 Limit	2025/26 Limit
	£'000	£'000	£'000	£'000
Borrowing	275,000	415,000	552,000	595,000
Other long-term liabilities	17,000	16,000	15,000	14,000
Total Debt	292,000	431,000	567,000	609,000

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to strike the balance between security, liquidity and yield. Cash that is likely to be spent in the near term is invested securely through money market funds which diversify investments extensively through secondary investments. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

- Further details on treasury investments are in treasury management strategy which was reported to Cabinet on the 23 February 2023 as part of the 2023/24 budget report.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Deputy Chief Executive and staff, who must act in line with the treasury management strategy approved by council. Quarterly updates on treasury management activity are presented to Cabinet as part of the quarterly budget monitoring report.

Investments for Service Purposes

The Council on occasion makes investments to assist local public services, including making loans to local organisations to promote economic growth. In light of the public service objective, the Council is willing to take more risk than with treasury investments.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Deputy Chief Executive and will be reported to full Council for approval where appropriate.

Commercial Activities

With central government financial support for local public services declining, the Council invests in commercial property primarily for Social, economic and regenerative purposes although financial gain can be a consequence of such investments. The Council lends to its wholly owned subsidiary A Better Choice for Property Ltd and new part owned subsidiary Ashford international Development Company for the same reason.

With consideration to the factors above, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include general decline in the economy or decline in sectors of the economy, possible long void periods, fall in property values. These risks are managed by diversification of the commercial portfolio, between retail, industrial and office accommodation. This portfolio mix ensures the Council is not over exposed in one sector of the economy if a down turn occurs. The Council also has leases with strong covenants in terms of length of lease, which ensures the council can budget with a measure of surety to manage debt repayments. The portfolio is monitored closely and lease renewal negotiations are started at an early stage to enable officers to engage in early marketing of units if they are to become void. The Council has a history of investing in and holding its commercial assets for a long period of time, therefore over coming any short term fluctuations in real estate values.

Governance:

Property and most other commercial investments are capital expenditure and purchases will therefore also be approved as part of the capital programme. As such they are subject to the same due diligence and Project Initiation Documentation as other projects.

- Details of the Council's Acquisition Strategy can be made available upon request.

Liabilities

In addition to debt of £286m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £1.4m) per annum although this will reduce over the long term.

Governance: Decisions on incurring new discretionary liabilities are taken by the Deputy Chief Executive and will be approved accordingly through the appropriate reporting channels including Cabinet/Council where necessary. The risk of liabilities crystallising and requiring payment is monitored by the Accountancy Team.

Revenue Budget Implications (general fund)

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream

	2022/23 Revised	2023/24 Budget	2024/25 Budget	2025/26 Budget
Financing costs (£,000)	(176)	1,306	(728)	774
Proportion of net revenue stream	(1.08%)	7.14 %	(4.16%)	4.34 %

The net financing costs as a percentage of revenue increases fluctuates over the forecast period. Debt costs (including MRP) have significantly increased as interest rate have risen over the past year which has increased borrowing costs, especially as the as the current strategy of short term borrowing has been more susceptible to interest rate fluctuations. Interest receipts are anticipated to increase significantly as further loans are made to subsidiary companies where rates are above that of cost of borrowing. The revenues streams are also reducing with New Homes Bonus income totally removed from 2024/25 onwards. This strategy will be continually reviewed as per the treasury management strategy. It is worth highlighting that the increase proportion of net revenue stream does not take account of the increasing rental inflows of the assets which goes to revenue.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Deputy Chief Executive is satisfied that the proposed capital programme is prudent, affordable and sustainable and the Council has adequate controls to review investment decisions should the

funding outlook adversely change. The projects planned are supported by robust business cases that generate positive cash in-flows to the Council, the capital plan supports the growth and prosperity of the Borough which will underpin other income streams to the Council such as business rates and fees and charges income.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Deputy Chief Executive is an experienced CIPFA qualified accountant.

The Council's also identifies and supports staff training needs through the staff appraisal process, and when the responsibilities of individual members of staff change.

Officers attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant Officers are also encouraged to study for relevant professional qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers, and a variety of property consultants which are identified to ensure their strengths reflect the requirements of the council. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Annual Minimum Revenue Provision Statement 2023/24

Where the Authority 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 Authority to have regard to the former Ministry of Housing, Communities and Local Government's (MHCLG) Guidance on *Minimum Revenue Provision* most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by the Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets as the principal repayment on an annuity with an interest rate in line with PWLB rates for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years, unless a bespoke MRP policy is more appropriate, bespoke MRP policies will be reported to Council accordingly.

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.

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 annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

There is no MRP provision for Loans made to the Council's subsidiary companies, however the capital receipt that arises on the repayment of principal amount will be applied on an annual basis used to reduce the CFR instead.

No MRP will be charged in respect of assets held within the Housing Revenue Account.

MRP in respect of the £119m payment made in 2012 to exit the Housing Revenue Account subsidy system will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment. The outstanding balance in relation to the HRA subsidy will be £95.7m as at 1 April 2023.

Appendix I

Capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2024/25 or later as it is not applied until the year following completion/acquisition.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31 March 2023, the budget for MRP has been set as follows:

Unsupported capital expenditure after 31.03.2008 (MRP)	116,194	1,483
PWLB Debt Repayment (annuity loans)	0	750
Loans to wholly owned companies *	35,100	330
Total General Fund	151,294	2,563
Assets in the Housing Revenue Account	45,020	0
Private Finance Initiative **	17,776	1,039
PWLB Debt Repayment (annuity loans)	0	850
HRA subsidy reform payment ***	95,664	3,000
Total Housing Revenue Account	158,460	4,889
Total	309,754	7,452

* Forecast capital receipts from repayment of principal

** Annual payment to reduce CFR liability

*** Repayment of loans that reach maturity

Treasury Management Strategy Statement 2023/24

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the potential 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 Authority's prudent financial management.

Treasury risk management 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 Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in the Investment Strategy which was presented to Cabinet on the 23 February 2023.

External Context

External context covers the following areas and is detailed at Appendix A with supporting tables.

- Economic Background
- Credit Outlook
- Interest Rate Forecast

Local Context

On 31 December 2022 the Authority held £217m borrowing, of which £91m related to short term borrowing, £13.5m long-term borrowing to the General Fund and £126.4m to the Housing Revenue Account. The Council also had investments of £38.9m. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

Table 1: Balance Sheet Summary and Forecast

	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26
	Actual	Estimate	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000
General Fund CFR	114,086	151,294	293,398	432,651	467,946
HRA CFR	162,399	158,460	156,059	162,954	174,357
Total CFR	276,485	309,754	449,457	595,605	642,303
Less: Other debt liabilities *	(17,776)	(16,687)	(15,648)	(14,622)	(13,672)
Loans CFR	258,709	293,067	433,809	580,983	628,631
Less: External borrowing	(112,125)	(151,294)	(293,398)	(432,651)	(467,946)
Less: HRA External borrowing**	(114,239)	(117,719)	(115,620)	(113,858)	(121,634)
Internal borrowing	32,345	24,054	24,791	34,474	39,051
Less: Balance sheet resources	(72,727)	(70,067)	(67,142)	(67,142)	(67,142)
Investments	(40,382)	(46,013)	(42,351)	(32,668)	(28,091)

* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt.

** A significant proportion of this debt relates to the HRA stock acquisition, for the 31 March 23 estimate it will be £95.7m.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council will consider the best financing options available at the time of investments/acquisitions; currently the Council is taking retaining a short term borrowing strategy as it is anticipated that rates will start to fall in Spring 2024. A consideration emerging is that borrowing cost are getting closer to long term strategic investment returns, however, the strategic portfolio is largely in a capital loss position at present and therefore retaining current positions is recommended. The best approach will be considered 'as always' and placements made accordingly throughout if prudent to do so.

The Council has an increasing CFR due to the capital programme, which includes loans to A Better Choice for Property Ltd, Newtown Works phase 1 and 2 and Project Green as well as supporting the HRA business plan and the growth of the Council's Housing Stock (the full capital plan can be seen at Appendix G of the Revenue Budget which was presented to Cabinet on 23 February 2023). To cover off this capital investment, external borrowing of circa £468m for the general fund and £121m for the HRA is assumed over the forecasted period and is reflected in the table above. However, this is only planned at present and decisions on individual investments will be reported and fully considered at the time of investment/acquisition to best benefit the Council. Balance sheet resources are

forecast to drop as reserves are earmarked to support the 2022/23 forecast deficit and balance the budget deficit within the 2023/24 budget while savings are identified.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation.

Liability benchmark

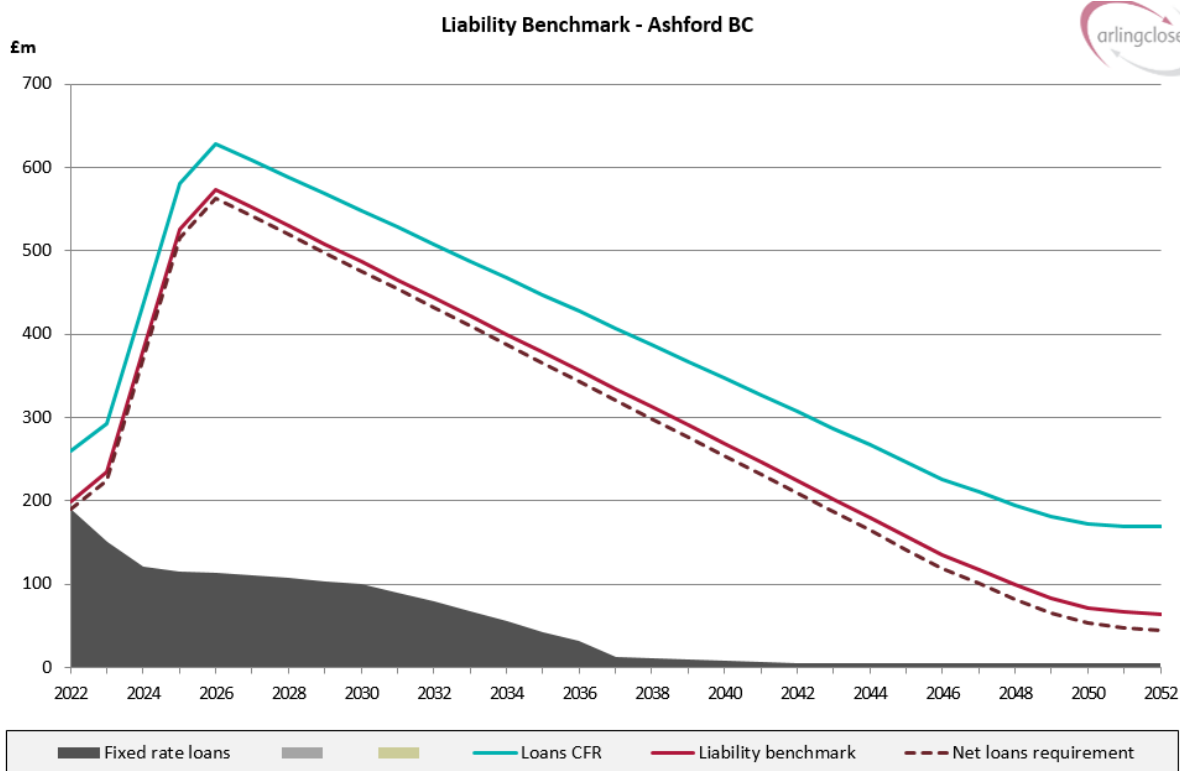
To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk. The Council also holds pooled funds of £30m which do not factor into the liquidity allowance, these are held as part of the wider strategy to manage inflation 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.

Table 2: Prudential Indicator: Liability benchmark

	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26
	Actual	Estimate	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000
Loans CFR	258,709	293,067	433,809	580,983	628,631
Less: Balance sheet resources	(72,727)	(70,067)	(67,142)	(67,142)	(67,142)
Net loans requirement	185,982	223,000	366,667	513,841	561,489
Plus: Liquidity allowance	10,000	10,000	10,000	10,000	10,000
Liability benchmark	195,982	233,000	376,667	523,841	571,489

Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £20m a year, minimum revenue provision on new capital expenditure based on a 50 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:



Borrowing Strategy

The Council currently (December 2022) holds £217m of loans, £126.4m represent loans to the HRA and £91m of general fund loans which are being used to fund previous capital expenditure. The balance sheet forecast in table 1 shows the Council expects to have borrowing of up to £269m by the end of 2022/23. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £623m.

Objectives: 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 Authority's long-term plans change is a secondary objective. The Council monitors interest rate forecasts and takes advice where appropriate to determine when/if rates should be fixed.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans; again decisions will be made accordingly at the time of investment/acquisition.

The Council is currently favouring the use of short term borrowing which enables the Council to pay interest below that forecasted in business plans. By using borrowing rather than internal resources this has enabled long term investments funded from reserves to remain in place which support the borrowing costs and provides a return

to the Council. The benefits of changing strategy will be monitored regularly considering interest rate forecasts and try to capture the moment when fixing borrowing long term will be advantageous over short term funds. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Council may arrange 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 (normally for up to one month) to cover unplanned cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- HM Treasury PWLB lending facility (formerly Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Kent County Council Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leases
- hire purchase
- Private Finance Initiative

- sale and leaseback

Municipal Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

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 section below).

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.

Treasury Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Council's treasury investment balance of circa £45m although levels fluctuate with cash flows, these levels are expected to slowly reduce over the coming years as reserves are used to support the MTFP, General Fund and HRA capital programmes. Further reductions could be incurred if internal borrowing is used to support capital acquisitions rather the external borrowing.

Objectives: The CIPFA Code requires the Council to invest its treasury 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 receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority 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 Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will continue to use money market funds for liquidity which provide higher returns and stronger diversification, and will use pooled funds for strategic investments. The Council will work closely with its treasury management advisors 'Arlingclose' to explore new investment opportunities which will complement the portfolio including Tri-Repo's and Alternatives. This overall approach represents a continuation of the strategies which have been adopted over the last few years.

Approved Counterparties: The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved Investment Counterparties and Limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Subsidiary Companies	50 Years	£280m	£280m
Local authorities & other government entities	25 years	£15m	Unlimited
Secured investments *	25 years	£5m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£5m
Registered providers (unsecured) *	3 years	£10m	£10m
Money market funds *	n/a	£10m	£60m
Strategic pooled funds	n/a	£15m	£60m
Real estate investment trusts	n/a	£15m	£15m
Other investments *	3 years	£1.5m	£5m

This table must be read in conjunction with the notes below

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

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £1.5m per counterparty where appropriate due diligence and checks are complete and an appropriate security is in place.

Government: Loans, bonds and bills issued or guaranteed by 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. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Banks and building society (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.

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 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

Registered providers (unsecured): Loans and bonds issued by, guaranteed by registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). 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 Authority 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 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 are available for withdrawal after a notice period, 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 company loans. 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 £1m 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 Authority maintaining operational continuity

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. 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.

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.

Other Information on the Security of Investments: 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 and reports in the quality financial press and analysis and advice from the Authority'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 otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, 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.

Investment Limits: The Council's revenue reserves available to cover investment losses are forecast to be £25.3m on 31st March 2023 and £22.4m on 31st March 2024. In order to limit the Council's risk no fund shall have more than the reserve balance available. However with the exception of the UK Government and the Council's subsidiary Companies, a maximum of £15m will be deposited with a single organisation. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £500,000 in operational bank accounts count against the relevant investment limits.

Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government and Subsidiaries	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership**	£10m per group
Any group of pooled funds under the same management *	£15m per manager
Foreign countries	£5m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Loans to Council subsidiaries	£280m in total
Money Market Funds	£60m in total
Real estate investment trusts	£15m in total

* Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

** Except where significant segregation of assets is confirmed which would stop any cross subsidising of investments in the event of default.

Liquidity Management: The Council uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit score	6

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 borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

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

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:

	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£15m	£15m	£15m

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

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, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposure. 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 Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools.

In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured annually and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive: The Authority has opted up to 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 Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status

Investment Advisers: The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by the need to justify the ongoing appointment of Arlingclose through the completion of a 'Use of Consultant' pro-forma as stipulated in contract procedure rules. The Authority's Treasury Management Function is also periodically reviewed by Internal and External audit.

Financial Implications

The general fund budget for net investment interest for 2023/24 is £309,000m, this represents a debt expenses of £3.36m and interest of £3.68m which includes £2.1m from the Council's subsidiary companies. The remaining £1.58m is based on an investment portfolio of around £30m which is anticipated to provide an average return of 5%.

The budget for debt interest payable in 2023/24 of £3.36m is based on an average debt portfolio of £84m at an average interest rate of 4%.

In relation to the HRA, the interest on investment income for 2023/24 is forecast at £110,000 which represents interest payable on their reserves. The budget for debt interest paid in the HRA for 2023/24 is forecast at £4.2m, based on an average long debt portfolio of £113m and internal borrowing charges from the GF with an overall average interest rate of 3.7%. HRA balances are invested with general fund balances and an apportionment of interest is made at the end of the year through the item 8 calculation, this was covered previously in this report under 'Policy on Apportioning Interest to the HRA'.

If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different. The actual position against budget is monitored through the Council's budget monitoring processes and reported to management on a quarterly basis accordingly.

Other Options Considered

The CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer has consulted the Portfolio Holder for Finance & IT, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast December 2021

External Context

Economic background: The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest

rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

Credit outlook: Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

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

Interest rate forecast: The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon.

As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Underlying assumptions:

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power – recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

Forecast:

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.

Appendix J

- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

A more detailed economic and interest rate forecast provided by Arlingclose is shown below:

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B – Existing Investment & Debt Portfolio Position as at 31/12/2022

Detail of investment balances held as at 31 December 2022

Counter Party	Deal Date	Rate %	Amount £	Fair Value £
Investment Accounts				
Goldman Sachs	Various	0.05%	54,117	54,117
ICD Portal - BNP	Various	2.75%	6,860,000	6,860,000
Payden Global MMF	Various	3.00%	3,000,000	2,918,950
Total Investment Accounts			9,914,117	9,833,067
Long Term Investments				
Property Investment				
A Better Choice of Property Ltd.***	Various	0.00%	789,060	1,096,036
CCLA Local Authority Property Fund	Various	3.69%	11,000,000	11,792,644
Equity Funds**				
CCLA Diversified Income Fund	Various	2.54%	3,000,000	2,791,269
Ninety One Diversified Income Fund	28/03/2019	3.73%	2,500,000	2,208,493
Aegon Diversified Income Fund	13/05/2019	5.05%	5,500,000	4,799,363
Schroder Income Maximiser	Various	7.32%	3,500,000	2,981,421
UBS Multi Asset Income Fund	Various	5.29%	3,000,000	2,260,050
UBS Global Income Equity Fund	29/07/2019	9.21%	1,500,000	1,235,924
Total Long Term Investments			30,789,060	29,165,200
Total Investment Portfolio			40,703,177	38,998,267
* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates are shown at the time of producing this report.				
** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values, the amount stated is the current fair value.				
*** A Better Choice Of Property Ltd. is a solely owned subsidiary of ABC.				

Debt Portfolio as at 31 December 2022

Counterparty	Deal Date	Rate %	Amount £	Maturity Date
Temporary Borrowing				
Northern Ireland Housing Executive	19/10/2021	0.20%	7,000,000	23/01/2023
Barnsley MBC	23/11/2021	0.25%	5,000,000	27/01/2023
Cambridgeshire & Peterboro Combined Authority	23/11/2021	0.25%	5,000,000	30/01/2023
Cambridgeshire & Peterboro Combined Authority	08/12/2021	0.20%	5,000,000	23/02/2023
Barnsley MBC	27/05/2022	1.20%	5,000,000	11/01/2023
Salford City Council	26/05/2022	1.20%	5,000,000	04/01/2023
Warwickshire County Council	27/05/2022	1.20%	10,000,000	05/01/2023
West Yorkshire Combined Authority	06/06/2022	1.25%	8,000,000	25/04/2023
West Yorkshire Combined Authority	08/06/2022	1.25%	4,000,000	24/05/2023
West Yorkshire Combined Authority	08/06/2022	1.25%	3,000,000	22/05/2023
London Borough of Newham	08/06/2022	1.30%	10,000,000	03/04/2023
Wokingham Borough Council	10/10/2022	2.85%	10,000,000	24/01/2023
Bedford Borough Council	19/12/2022	3.20%	3,000,000	19/06/2023
Blaenau Gwent County Borough Council	30/12/2022	3.05%	5,000,000	30/03/2023
North East Derbyshire District Council	16/12/2022	3.75%	5,000,000	15/12/2023
South Cambridgeshire District Council	22/02/2022	3.50%	1,000,000	05/01/2023
Total Temporary Borrowing			91,000,000	
Long Term Borrowing				
Public Works Loan Board - HRA	various	various	112,964,150	various
Public Works Loan Board - GF	13/07/2021	1.56%	13,500,000	13/07/2041
Total Long Term Borrowing			126,464,150	
Grand Total Borrowing			217,464,150	

Note: the loans made to ABCFP Ltd are not shown in the investment portfolio above, for completeness though the total draw down value of loans to the company as at 31 December 20221 was £35m

Detail of PWLB Loans Outstanding at 31 December 2022

Date of Advance	Loan Ref Number	Date of Repayment	Amount Outstanding £	Rate %
28/03/2012	499514	28/03/2023	2,000,000	2.56%
28/03/2012	499507	28/03/2024	3,000,000	2.70%
28/03/2012	499503	28/03/2025	3,000,000	2.82%
28/03/2012	499505	28/03/2026	1,000,000	2.92%
28/03/2012	499496	28/03/2027	1,000,000	3.01%
28/03/2012	499509	28/03/2028	2,000,000	3.08%
28/03/2012	499497	28/03/2029	2,000,000	3.15%
28/03/2012	499510	28/03/2030	2,000,000	3.21%
28/03/2012	499498	28/03/2031	8,000,000	3.26%
28/03/2012	499511	28/03/2032	9,000,000	3.30%
28/03/2012	499499	28/03/2033	10,000,000	3.34%
28/03/2012	499512	28/03/2034	11,000,000	3.37%
28/03/2012	499506	28/03/2035	12,000,000	3.40%
28/03/2012	499513	28/03/2036	9,000,000	3.42%
28/03/2012	499515	28/02/2037	16,713,000	3.44%
29/03/2011	498502	29/03/2061	5,951,150	5.26%
13/07/2021	374161	13/07/2041	15,300,000	1.56%
Total HRA Borrowing			112,964,150	
13/07/2021	374159	13/07/2041	13,500,000	1.56%
Total GF Borrowing			13,500,000	

Investment Strategy Report 2023/24

Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meet the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to average around £42m during the 2023/24 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2023/24 for treasury management investments are covered in a separate document, the treasury management strategy which was reported to Cabinet on the 23 February 2023 as part of the Budget Setting Report.

Service Investments: Loans

Contribution: The Council lends money to local businesses, parish councils and its employees to support local public services and stimulate local economic growth. These service investments include loans to Councils subsidiary which is supporting the local economy as a high quality private landlord for privately rented residential units in addition supporting council services over a long term when dividends are payable. Other examples include temporary loans to businesses to enable/facilitate

development and investment within the borough, and small loans to Parish councils to support urgent local issues in advance of raising precepts to fund the expenditure.

Security: 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, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes

Category of borrower	31.3.2022 actual	2023/24
	Net figure in accounts	Approved Limit
	£'000	£'000
Subsidiaries	42,843	280,000
Parish Councils	0	200
Suppliers	0	10,000
Local businesses	50	1,500
Employees	0	100
TOTAL	42,893	291,800

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans by:-

Subsidiaries: The Council loans money to its subsidiary A Better Choice for Property Ltd. (the Property Company) to enable it to make acquisitions in support of its business plan. The council also has made loans and has a funding agreement in place for loans to Ashford International Development Company Ltd. for the development of New Town Works. The development of subsidiary companies is in response to government funding cuts and the ambition of the Council to be self-sufficient of government grant through its entrepreneurial approach and commercial mind-set. It also encourages economic growth and prosperity within the Borough.

The original concept of the property company was subject to legal and professional advice and a full business model developed and approved by full council. The company became operational in November 2014 and made its first acquisitions.

With the Council being the sole shareholder of the property company it has good oversight and awareness of the ongoing obligations of the Company and receives reports to its Trading and Enterprise Board (TEB) which was established to oversee the Council's subsidiary companies.

TEB approved the Business Plans of the Property Company and recommends to Council any increases in the facilities agreement which provide the framework under which the property company can borrow money from the Council. The £150m approved limit recommended is included at Table 1 and is the current value approved by the Council. However, for the money to be drawn down, business models of proposed acquisitions have to be presented to the TEB, and Full Council where appropriate for sign off before borrowing is approved.

In relation to monitoring risk of default, the loan facilities agreement has a number of financial covenants, one of which is the loan to current value (total borrowings outstanding to value of assets) which is monitored and reported to TEB on an annual basis.

The facilities agreement also ensures that the Council has appropriate security over sums borrowed with first charge, or an appropriate form of security over the assets of the Company. Should the property market move against the property Company then the Council will review and consider its options accordingly.

The residual amount of limit for subsidiaries includes funding for Ashford International Development Company (AIDC) and future provision for Project Green.

Parish Councils: The Council has made a number of loans in recent years to support parish councils with liquidity issues and to help fund costs associated with locally defending planning applications.

Where the council makes these loans appropriate loan agreements are in place to ensure that the money is recovered in a timely manner. In relation to risk the loans to Parish Councils are effectively underwritten by the ability of the Parish Council to raise precept accordingly to repay borrowed amounts.

Suppliers/Local Businesses/Employees: the Council as at 31/03/2022 the Council had £50,000 loan with the Chilmington Management Organisation which was a project originally supported by the Council. The provision makes further provision available should any further requirements arise in 2023/24.

As with the examples of lending as outlined above, any decision to lend within the limit stipulated within this report would require further approval at an appropriate level, with appropriate supporting material before funds were released.

Service Investments: Shares

Contribution: The Council invests in the shares for its subsidiary so that it can develop and high quality private landlord function as aforementioned under service investment loans. The Council also purchased shares in AIDC to secure a 65% stake in the Company.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows, the approval limit is comparable to the amount investment and not the current fair value:-

Table 2: Shares held for service purposes

Category of company	31.3.2022 actual			2023/24
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
	£'000	£'000	£'000	£'000
Subsidiary – A Better Choice for Property Ltd.	789	1,501	2,290	1,000
Subsidiary – Ashford International Development Company Ltd.*	0	0	0	1,500

* AIDC been included as shares with a value of £1.427m were acquired in May 2022.

Risk assessment: Shares in the Council's subsidiary property company have been made to enable the property company to have an element of working capital which enable it to explore investment opportunities.

The investment in Council subsidiary is not purely for financial return but to enable the development of a high quality landlord in the local area with a view to changing the offerings available through private renting, such as longer tenancy terms.

As the sole shareholder of the Property Company the council would have to consider the shares in this company in the wider context to encompass the loans as outlined earlier in this strategy.

As with all company related matters, any concerns the council or company have would be reported through the TEB accordingly.

Liquidity: In relation to the property company the Council views this as a long term investment and has therefore not defined a maximum period for which the funds are deposited.

If the Council made acquisitions of shares in other entities, it would consider the business model and set an initial investment period in conjunction with professional advisors. Where investment periods are for a long period they would still be regularly reviews and the investment time frame re-set accordingly based on the prevailing circumstances at the time. Longer term investments would generally be placed with a 5 year outlook subject to review.

Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

Contribution: The Council invests in local, commercial property with the intention of making a contribution to the local economy through regeneration and a profit that will be spent on local public services.

The most recent example of this would will be the New Town Works Development which will transform an empty space into a vibrant facility containing 302 residential units, educational facilities and studios. This site will also generate income through additional business rates to the council in addition to capital receipts following disposal of the site.

Previous examples include light industrial units constructed at Carlton Road. These units have been developed to support small businesses expand in the local area and provide more units to support the Council existing offering at Ellingham industrial estate. Again, in addition to the economic benefits of Carlton Road it is expected to provide an income stream to the Council which can be used to maintain the current level of public services in Ashford as government support is cut.

All commercial investments carry an element of risk and will react differently to changing economic conditions. Carlton road is performing well in the current conditions although Elwick is seeing voids in the hospitality units where conditions are challenging.

Table 3: Property held for investment purposes

Property	Actual	31.3.2022 actual		31.3.2023 forecast	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
	£'000	£'000	£'000	£'000	£'000
Ellingham Industrial estate units	2,780*	4,014	6,794	0	6,794
Park Mall (retail units) purchase	4,404	2,340	6,744	0	6,744
International House (Offices)	7,731	2,297	10,028	0	10,028
Carlton Road light industrial units	6,823	-698	6,125	0	6,125
Elwick – Restaurants, Cinema, Hotel	38,893 (as at 31/03/2022)	(24,005)	14,888	0	14,888
Matalan	5,031	(442)	4,589	0	4,589
TOTAL	65,662	(16,494)	49,168	0	49,168

* Historical value as at 2007 – Acquisition of site was purchased between 1935 and 1980 as it was acquired in stages.

Given the current market volatility and sentiment, a forecast in movement in capital values for 22/23 has not be made. Valuations are due to be completed by qualified valuers in March for the 2022/23 accounts and the Strategy will be updated accordingly.

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

The Council's budget setting and budget reporting arrangements will highlight and manage any impacts arising from this reduction in security.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding property investments by engaging professional consultants to ensure the existing valuation of the acquisition is fair, and also provide commentary on the market the asset will be competing with. As a council though it is accepted that these assets are not purely acquired for financial gain and therefore the return on investment required will not be as high as for a private investor when considering an acquisition. That being said the Council will not pay above a fair valuation unless it had a significant strategic purpose to the Authority.

As part of the business plan the council will consider the ongoing requirements of the investment in terms of repairs and maintenance and future capital costs, it will also understand the requirement to tenant commercial property and consider who tenants will be attracted and lease renewals conducted where incumbent tenants are in place. As part of this process the Council will carry out due diligence on any new tenant to ensure that they are financially sound and able to meet the lease obligations.

The ongoing monitoring of tenants is performed by Council as part of its budget monitoring arrangements, the Council's Corporate Property Team deal with lease events and the repairs and maintenance of assets.

This report currently reflects a neutral position on revaluation due to the volatile nature of valuation in the current climate. It is accepted that capital values rise and fall and therefore significant consideration is also given to the income streams of the assets to ensure that the cash inflows are sufficient to meet related expenditure, i.e. borrowing, repairs and maintenance costs.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. When making acquisitions the Council takes a long term view and anticipates the borrowing requirement accordingly. In terms of liquidity the Council has the ability to borrow from a number of sources and therefore it is unlikely that an event occurred where the Council would be required to sell assets to re-pay the linked debt. This long term view is more prevalent now than ever as property values decline and any asset disposals could lead to losses real losses.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

The Authority has contractually committed to make up to £150m of loans to its Subsidiary A Better Choice for Property Ltd. as part of the facilities agreement,

should it request it and it is supported by an approved business plan. This is covered under service loans.

The Council also has entered into a £73m funding agreement with Ashford International Development Company for the Development of New Town Works. The loan has appropriate milestone in place to release funding in phases.

Capacity, Skills and Culture

Elected members and statutory officers:

The Council has treasury management advisors that are contracted to provide training and support to both officers and members. This includes regular strategy meetings which statutory officers and the responsible portfolio holder attend. The CFO has to be a member of professional accountancy body and participate in its Continual Professional Development scheme so that their skills are maintained and current.

Commercial deals: On the occasions that the Council undertakes to make a commercial deal the statutory officers are required to ensure that Members have appropriate information to make an informed decision. This requires the Council to seek appropriate professional advice to inform decisions from properly qualified advisors. This advice is then reported to members to support the decision making process. As mentioned previously the Council has contracts Treasury Management advisors, Valuers and other specialists to ensure that there is ready access to support.

Corporate governance: The Council's Constitution outlines the decision making process that has been put in place and the governance arrangements to ensure transparency and openness in decision making. Investment decisions are taken in the context of the Council's Corporate Plan and medium term financial plans.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

Table 5: Total investment exposure

Total investment exposure	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
	£'000	£'000	£'000
Treasury management investments	30,000	30,000	30,000
Service investments: Loans	42,843	47,000	82,000
Service investments: Shares	605	789	2,216
Commercial investments: Property	65,662	49,168	49,168
TOTAL INVESTMENTS	139,110	126,957	163,384
Commitments to lend	107,157	233,000	198,000
TOTAL EXPOSURE	246,267	359,957	361,384

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing

Investments funded by borrowing	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
	£'000	£'000	£'000
Service investments: Loans	42,387	46,100	81,700
Commercial investments: Property	59,578	59,290	58,800
TOTAL FUNDED BY BORROWING	101,965	105,390	140,500

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

The investment forecast for 2023/24 shows a negative return overall, this is due to significantly higher borrowing costs that were prevalent in 2022/23 and are forecast to increase on average within 2023/24, and there are also a number of void units within the investment portfolio. It is worth noting the figures include MRP (Minimum revenue provision) which contributes the repayment of capital debt.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2021/22 Actual	2022/23 Forecast	2023/24 Forecast
Service investments: Loans	2.34%	2.43%	0.58%
Service investments: Shares	0%	0%	0%
Commercial investments: Property	0.91%	(1.95%)	(2.45%)
ALL INVESTMENTS	1.68%	0.47%	(0.81%)

Ashford Borough Council Council Tax Reduction

Exceptional Circumstances Policy 2023/24

1 Background

1.1 An Exceptional circumstances Policy has been created by Ashford Borough Council to assist persons who have applied for Council Tax Reduction and who are facing 'exceptional circumstances'. This is to provide further assistance where an applicant has made a claim for Council Tax Reduction but do not qualify for support or even with support are unable to meet their Council Tax liability.

1.2 The main features of the policy are as follows:

- * The operation of the policy will be at the total discretion of the Council;
- * The policy will be applied by the Revenues and Benefits section on behalf of the Council;
- * Exceptional circumstances falls within S13(A)(1a) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme;
- * Exceptional circumstances awards will only be available for a Council Tax liability from 1 April 2023 onwards and will not be available for any other debt other than outstanding Council Tax;
- * To receive an award, an application for a Council Tax Reduction will need to be made, unless there are exceptional circumstances which would preclude any entitlement to a Council Tax Reduction.
- * Where an Exceptional circumstances award is requested for a previous period, Exceptional circumstances must have been proven to have existed throughout the whole of the period requested and will only be backdated to the start of the financial year in which the claim is made;
- * Exceptional circumstances awards are designed as short-term help to the applicant only; and
- * All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so may mean that no payment will be made.

2 Exceptional circumstances and Equalities

2.1 The creation of an Exceptional Circumstances Policy facility meets the Council's obligations under the Equality Act 2010.

2.2 The Council recognises the impact the changes to our Council Tax Reduction Scheme will have on our most vulnerable residents and therefore the importance this policy has in protecting those applicants most in need. It should be noted that an Exceptional Circumstances Policy is intended to help in cases of extreme financial difficulty and not support a lifestyle or lifestyle choice.

3 Purpose of this policy

3.1 The purpose of this policy document is to specify how Ashford Borough Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an Exceptional circumstances payment can be made.

3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in both accessibility and also decisions made.

4 The Exceptional circumstances process

4.1 As part of the process of applying for additional support, all applicants must be willing to undertake all of the following:

- * Make a separate application in writing for assistance;
- * Provide full details of their income and expenditure;
- * Where a person is self-employed or a director of a private limited company, provide details of their business including supplying business accounts;
- * Accept assistance from either the Council or third parties where applicable (such as Citizens Advice Bureau and Money Advice Service) to enable them to manage their finances more effectively - including the termination of non-essential expenditure and assessment of the potential for additional paid employment where applicable;
- * Identify potential changes in payment methods and arrangements to assist them;
- * Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
- * Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and by identifying the most economical tariffs for the supply of utilities and services generally.

4.2 Through the operation of this policy the Council will look to:

- * Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions;
- * Help applicants through personal crises and difficult events that affect their finances;
- * Help those applicants who are trying to help themselves financially; and
- * Encourage applicants to contact the Job Centre Plus or the Job Club to obtain and sustain employment, where applicable.

4.3 An Exceptional circumstances award will not be considered in the following circumstances:

- * Where the full Council Tax liability is being met by Council Tax Reduction;
- * For any other reason, other than to reduce Council Tax liability;
- * Where the Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce them; or
- * To cover previous years Council Tax arrears.

5 Exceptional circumstances award

5.1 The Council will decide whether or not to make an Exceptional circumstances award, and how much any award might be.

5.2 When making this decision the Council will consider:

- * The shortfall between Council Tax Reduction and Council Tax liability;
- * Whether the applicant has engaged with the Exceptional circumstances process;
- * The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants and any other occupants of the applicant's home;
- * The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist;
- * The income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home;
- * All income received by the applicant, their partner and any member of their household irrespective of whether the income may fall to be disregarded under the Council Tax Reduction scheme;
- * Any savings or capital that might be held by the applicant, their partner and any member of their household irrespective of whether the capital may fall to be disregarded under the Council Tax Reduction scheme;
- * Other debts outstanding for the applicant and their partner;
- * The exceptional nature of the applicant and/or their family's circumstances that impact on finances, and
- * The length of time they have lived in the property;

5.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

5.4 An Exceptional circumstances award does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

5.5 An Exceptional circumstances award may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The application may be refused if the authority feels that, in its opinion, the applicant is not suffering 'exceptional circumstances or where the applicant has failed to comply with the Exceptional circumstances process.

6 Publicity

6.1 The Council will make a copy of this policy available for inspection and will be published on the Council's website.

7 Claiming an Exceptional circumstances award

7.1 An applicant must make a claim for an Exceptional circumstances award by submitting an online application to the Council via the Council's website.

7.2 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or Customer Services at the Council.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

7.4 In most cases the person who claims the Exceptional circumstances award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8 Changes in circumstances

8.1 The Council may revise an Exceptional circumstances award where the applicant's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement. The Exceptional circumstances award may be increased or decreased.

9 Duties of the applicant and the applicant's household

9.1 A person claiming an Exceptional circumstances payment is required to:

- * Provide the Council with such information as it may require to make a decision; and
- * Tell the Council of any changes in circumstances that may be relevant to their ongoing claim within 21 days of the change

10 The award and duration of an Exceptional circumstances award

10.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim.

10.2 The start date and duration of any award will be determined by the Council. The maximum length of the award will be limited to the financial year in which the claim is received.

11 Payment

11.1 Any Exceptional circumstances award will be made direct onto the taxpayer's Council Tax account, thereby reducing the amount of Council Tax payable.

12 Overpaid Exceptional circumstances payments

12.1 Overpaid Exceptional circumstances payments will generally be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

13 Notification of an award

13.1 The Council will notify the resident of the outcome of their application for an Exceptional circumstances award.

14 Appeals

14.1 Exceptional circumstances awards are granted under S13A(1a) of the Local Government Finance Act 1992 as part of the Council Tax Reduction scheme, as such the normal Council Tax appeal process applies and an appeal can be made at any time. The initial appeal should be made to the Council who will review any decision. Ultimately any decision can be considered by an independent Valuation Tribunal.

15 Fraud

15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

15.2 An applicant who tries to fraudulently claim an Exceptional circumstances payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16 Complaints

16.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about the application of this policy.

17 Policy Review

17.1 This policy will be reviewed on an annual basis and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.

18 Benchmarking

18.1 Ashford Borough Council will monitor overall Exceptional circumstances expenditure annually and will benchmark against the other Kent Local Authorities

2023/24 Budget Report

The following table represents risks to the 2023/24 budget at both a service and economic level. These risks were presented with the draft budget and have been updated where appropriate to support the final budget.

Budget Component	Financial standing and management
1. Stodmarsh	<p>Natural England issued its Advice in the Summer of 2020 and since then planning approvals in the Stour Catchment have been subject to an appropriate assessment demonstrating that the development is nutrient neutral. This has effectively stopped new development in the catchment area.</p> <p>The Council and Developers are working on solutions with the Council seeking to deliver a strategic wetland and developers looking for alternative strategies.</p> <p>This block on development has had a considerable impact on the local economy reducing the construction sector. In addition it has reduced the supply of accommodation in the borough, increasing the competition for properties. This has seen impacts on rental levels, availability of temporary accommodation and the demand for temporary accommodation.</p> <p>This risk impacts upon the Councils House building program.</p> <p>The cost of a strategic solution will also form a significant financial risk to the Councils budget as it will have to forward fund considerable costs and seek to recover these from developers over the life of the local plan.</p>
2. Ashford Port Health Authority	<p>In September 2020 DEFRA (Department for the Environment, Food and Rural Affairs) informed the Council that the Sevington Inland Border Facility (IBF) was being designated a Border Control Post and the Council would become responsible for carrying out various port health controls on behalf of the Government.</p> <p>The Council recruited 125 Officers to deliver the Ashford Port Health Facility at Sevington. However the Council has now been advised that only 54 Officers will be necessary to fulfil the checks required. DEFRA are expected to Publish a new Target operating Model for the facility in March 2023.</p> <p>Although the costs are currently being underwritten by Government, structural changes have been necessary to accommodate the proposed changes and central overheads were allocated accordingly.</p> <p>The changes have already increased recharges back to the general fund and there is a risk that any further changes will result in more costs being transferred back to the general fund. Once the service is up and running it is anticipated to be self-funding through the charging of fees.</p> <p>Ashford Port Health is expected to become fully operational at the end of 2023. In the meantime the exiting teams have been repurposed for work required by DEFRA and by APHA for a six month secondment.</p>

Budget Component	Financial standing and management
3. Government Spending Review	<p>In the Autumn statement the government committed to raising core spending power by a minimum of 3% and a new funding guarantee grant. The increase is well below the level of inflation meaning that the Council will have to absorb the costs of inflation.</p> <p>Like in prior years the Government has not provided any updates when the reforms relating to the New Homes Bonus, fair funding or business rates will be implemented.</p>

4. Pressure on the 2022/23 Budget and impact going forward.

The ongoing impact of Covid19, as well as the war in Ukraine, and the UK's decision to leave the European Union are all having an impact on the economy, and as a Council Ashford is not protected from these pressures. The cost of living crisis is affecting both the Council finances and the finances of its residents who will need more support as a result.

Homelessness – This area has been under increasing pressure for a number of years, the pressure was exacerbated by the pandemic as well as the financial pressures households are now facing, due to the increase in costs the position is not expected to improve.

The 2022/23 budget was built on the assumption that there would be an average of 100 cases in Temporary Accommodation at any one time, however at the end of September there were 140 in Temporary Accommodation, leading to a significant increase in costs

To address the long term issues in this area the Rough Sleepers Accommodation Programme is underway, although the number of properties to be purchased has been reduced due to a lack of available properties that meet the required specifications.

In addition, the team are focussing more on prevention and are investigating a number of options for developing further bespoke homeless accommodation.

The modular units at Henwood have been delayed due to the constraints at Stodmarsh, these are now due for completion in November 2023.

The 2023/24 budget has been developed using the most up to date information, with the assumption that the current crisis will likely increase pressure on this area. An average of 135 monthly cases has used as a basis of the 2023/24 calculation, however this area is still a risk to the budget, therefore officers will be keeping it under constant review and ensuring that prevention work becomes the most important tool to keeping these numbers down.

Parking Income

The 2022/23 budget has continued to be impacted as people's habits and lifestyles have changed with working from home and internet shopping becoming more prevalent. It was anticipated that the move to cashless parking would create savings from reduced cash collection, however, it led to an increase in transaction costs, officers are currently investigating ways that these transaction costs can be reduced going forward.

This budget will continue to be a risk in 2023/24, as the economic crisis impacts shopping and travelling decisions for individuals.

Budget Component	Financial standing and management
	<p data-bbox="528 192 951 230">Planning And Development</p> <p data-bbox="528 264 1437 443">The service is in the process of terminating consultancy support for day to day operations however there may be some need for consultants to support the service for specialist work such as planning appeals, for which additional counsel fees are also required.</p> <p data-bbox="528 477 1458 622">There is also a reduction in anticipated income from pre-application advice as the scheme is not yet live, in part due to the Stodmarsh issues and the current economic climate which are both having an impact on developers.</p> <p data-bbox="528 656 1118 694">Environment, Property and Recreation</p> <p data-bbox="528 728 1477 1019">The waste contract has seen a significant increase in 2022/23, due to the contracted inflationary increase of 13%, which was a lot higher than anticipated. If inflation continues to be high this will be a risk to the 2023/24 budget, and the MTFP. The existing contract will also expires and the new contract will not commence until April 2024 due to a shortage of new fleet vehicles being available. Additional costs for extending the contract to April 2024 have been factored into the 2023/24 budget.</p> <p data-bbox="528 1052 1414 1160">There are a number of vehicles in use in the service, including Aspire, the increase in fuel costs has had an impact on the budget, as has the increase in fleet hire costs.</p> <p data-bbox="528 1193 1458 1413">Building Maintenance costs, such as Edinburgh Road car park, the leisure centres and copper beech tree at Repton, are also higher than anticipated, with inflation playing its part in increasing the cost of materials. This will be funded from reserves in 2022/23, however any unanticipated spend in 2023/24 will be a risk to the budget.</p> <p data-bbox="528 1447 1461 1592">Rent income at Park Mall and Elwick are lower than anticipated, and with the increase in the home working trend it is possible that the office rentals may also be affected. Officers are continuing to monitor this and will keep members informed accordingly.</p> <p data-bbox="528 1626 1461 1733">Recreation has seen an increase in costs, due to the closure of 3G facilities, as well as an increase in security costs and cleaning costs at the Pitch side and Courtside facility.</p>

Budget Component	Financial standing and management
5. Commercialisation	<p>The Council's commercialisation agenda has progressed a number of areas including Garden waste and the Electrical Services Division in recent years.</p> <p>This is seen as an area to promote continued improvement in what we do going into 2023/24 and a budget of £60,000, funded from the additional income achieved is available to support existing and new ideas. However, options will be considered as to where commercialisation best sits with it strong links to Transformation and digital projects.</p>
6. Transformation and digitalisation	<p>Digitalisation continues to be a key priority for the organisation to ensure systems work effectively and efficiently to deliver excellent services for our external stakeholders. The digitalisation programme is targeting systems to ensure efficiencies through digitalisation can be maximised to create staffing capacity to manage business growth within existing resources.</p> <p>One of the most significant areas under review will be the implementation of a new database for the Community Safety and Wellbeing service.</p>
7. Assumptions about increases in service income.	<p>For budget setting purposes income has been increased by an average of 16.0%, for legislative reasons or demand some charges will be lower or higher than this.</p> <p>The proposed fees and charges are presented in detail as part of the budget report. Any amendments to the proposals may involve a slight risk to the budget.</p> <p>A full review of the Council's income streams will be undertaken in 2023/24 to ensure fees and charges are appropriately set. One area to be reviewed is around statutory charges where costs of delivery are increasing annually but charges have been frozen for many years.</p>
8. Housing Revenue Account	<p>The HRA Business Plan has a number of priorities including decarbonisation and a number of projects to build more homes in the borough. The 30 year Business Plan will be fully presented at December Cabinet.</p> <p>The business plan is affordable although the current economic climate is impacting borrowing costs and development costs. This pressure would normally be partly offset by an inflationary increase in rents, however in the Autumn Statement the Government recommended capping the rent increases to 7%, although this is 2% higher than what was anticipated, it is still below the inflation rate limiting the HRA's ability to keep up with the increasing cost of running the service as well as improving the choice available to tenants. This will also impact the General Fund as the lack of affordable rented properties in the borough means a lack of move on accommodation for those families that find themselves homeless. Regular updating of the HRA business plan to include new projects and financial monitoring will occur during 2023/24.</p>

Budget Component	Financial standing and management
9. Estimates of the level and timing of capital receipts.	<p>Capital receipts are low in the General Fund, the budgets and financing of the capital plan reflects this.</p> <p>The Housing Revenue Account capital receipts have reduced over the last couple of years as right to buy sales have reduced considerably due to Covid and the current economic conditions.</p> <p>The majority of RTB receipts need to be held to fund affordable housing (funds 30% of the total cost) within the Borough, and this Council took the opportunity to retain these receipts for this purpose, these receipts are called 1-4-1 capital receipts.</p> <p>The receipts and capital plans are being closely monitored and ensure these receipts are used to avoid repayment which would attract interest of 4% above base. These funds are currently being spent well in advance of need as the on street purchasing programme was really strong, this scheme is now being reviewed to determine the best use of resources moving forward.</p>
10. Major Capital Projects	<p>There is a risk to projects of a capital nature at present as supply chain and economic conditions are significantly increasing tender prices that can challenge the affordability of self-funding schemes, or reduce that amount of work that can be undertaken for asset repairs and maintenance as we only have limited amount of capital resource.</p> <p>To maintain financial stability Members and Officers need to thoroughly assess new projects to ensure that they will not increase annual revenue costs to the Council, by way of additional unfunded borrowing costs or maintenance liabilities.</p> <p>It is acknowledged that some capital projects are delivered for more wider social and economic reasons, and that these schemes will need to be judged on their individual merits and the cost implications to the Council fully understood.</p>
11. Business Rates	<p>Changes to the council's business rates yield is a major risk to the budget as the revaluation of rates and the level of appeals against new valuations could affect the overall level of rateable value within the borough, however Ashford's movement is below the national and regional average so it is anticipated we should get less appeals.</p> <p>Government underwent a consultation exercise for a technical adjustment in the distribution of Business Rates between councils and Government. It is the Government's intention that Local authorities either gain or lose from the proposals, but with the detail not yet available it is unknown how it will affect Ashford.</p> <p>In the Autumn Statement the Government announced that they are freezing the business rates multiplier for another year (2023-24), however business rates revaluation will go ahead with business rates bills updated from 1 April 2023 to reflect changes in property values since 2017.</p>

<p>12. Inflation, Interest Rate and Pay Award</p>	<p>In November 2022 the inflation rate stood at 10.7%, well above the 2% target mandated to the Bank of England. However, it is gradually decreasing, December inflation was 10.5%, and is expected to decrease sharply from mid-2023 as a UK recession and increased interest rates slow the economy.</p> <p>Inflation rose as oil and gas prices increased because they were in greater demand as life got back to normal after Covid. Further pressure on prices was added after the war in Ukraine started and the countries have imposed sanctions on Russia and started using less Russian oil and gas.</p> <p>The war in Ukraine also led to food prices going up, by reducing the amount of grain available within Europe.</p> <p>The high inflation has created a costs of living crises that has needed the Government to introduce a cap on energy bills although prices continue to squeeze household incomes across the board.</p> <p>Rising inflation for the Council means:</p> <p>Less income collected through Council tax and rent demands as the residents of the borough will in some instances have to make decisions over heating homes, or paying monies owed to the Council.</p> <p>Less income through business rates if shops fail as consumers look to cut back, especially within the Food and Beverage industry which was still recovering from the Pandemic.</p> <p>Reduced demand for Council statutory and discretionary services, such as parking income and environmental services such as garden waste bins and bulky refuse collections, the Council is already experiencing a decline in garage occupancy levels as people look to reduce costs.</p> <p>In response to the high inflation rate the Bank of England had to increase the interest rate aggressively. The latest interest rate increase was in February 2023 where the interest rate increased by 0.5 percentage point, from 3.5% to 4%. Further increases are expected with the peak interest rate expected to be 4.25%.</p> <p>Inflation is a factor that needs to be managed carefully within any financial planning regime. Inflation has been gradually climbing over the last few years and is now well above the Bank of England's (BOE) 2% target as spikes in energy prices and supply chain issues have driven up costs. Inflation rates are expected to have reached their peak and are forecasted to drop back to below target gradually by 1st Quarter 2024.</p> <p>Interest rates have been forecast at 3.75% (to represent the annual equated borrowing rate) although forecasting is incredibly difficult with current market uncertainty and presents a risk to forecast. As a net borrower the Council is exposed to interest rate</p>
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Budget Component	Financial standing and management
	<p>risk on its borrowing portfolio, which is in line with its strategy. The MTFP is assuming rate rises but if they rise more quickly than anticipated then this budget could be subject to interest rate pressures.</p> <p>Inflation is also a major driver in capital works and many of the council contracts are inflation linked, or inflationary rises will be applied. Some allowance has been built into the MTFP and bespoke increases have been applied to the largest contracts and utility costs.</p> <p>Pay – the draft budget has made an overall allowance of circa 9.8% for pay, this is 5% cost of living, 4.8% for increments.</p> <p>Increments were forecast to be 0.7% in the MTPF which is in line with historical averages, however due to a high turnover of staff and a number of regrading's across the organisation, the number of people incrementing moving into 2023/24 is exceptionally high.</p> <p>This is on the back of the work that was undertaken last year to review our pay structure to ensure that pay levels were comparable for lower paid members of staff and as part of the settlement for 2021/22 pay awards were geared towards the lower paid.</p> <p>At the time of writing this report, a pay award has not been agreed and therefore any movement away from this expectation will have a positive or negative influence on the budget.</p>

NEWTOWN WORKS

Newtown Summary

Ashford Borough Council has a strong track record in making positive interventions to stimulate inward investment, for example at Elwick Place and the Commercial Quarter.

Despite the challenges posed by the coronavirus pandemic, Ashford is still very much leading the way for inward investment and regeneration, and this project has the potential to become a catalyst for kick-starting the next exciting phase in this journey.

The TV and film studios will bring significant benefits to Ashford in terms of investment and job creation and will play a key role in our economy's future recovery as we come out from the pandemic.

This development will be one of the most important economic drivers for the borough in the next few years and demonstrates the ongoing confidence that investors continue to have in Ashford.

These exciting proposals involve finding a new use for one of the longest listed buildings in the country, which is of significant historical value but have been left to decay.

This development will sensitively ensure our proud railway heritage is recognised, while transforming a brownfield site which has laid dormant for many years into a Film and TV Studio hub together with a hotel, serviced apartments and commercial units.

Not only will this development put Ashford on the map nationally and internationally, it will also create sought after film studio space, provide thousands of jobs and make the town a hub for the creative arts industry, which is set to grow significantly in the future.

Newtown Works Studio Operator

As part of the Ashford International Development Company business have actively been in dialogue with a Global International Studio Operator for the last two months to pursue their interest in the Newtown Works Development. The proposal currently under consideration is around 120,169 sq ft of Studio, Workshop and office and ancillary space. Although smaller than the original proposal which planning permission has previously been granted 202,846 sq ft. It is expected that the proposal provides an enhancement on the studio operation albeit within a smaller space delivering similar economic benefits.

The proposed terms subject to the completion of the due diligence of the transaction is the Ashford International Development Company will enter into arrangement with the studio operator for the studio and workshop space at a cost of £48,000,000 which will be repaid at the time of the completion of the works together with a rental income of £400,000 per annum for 294 car parking spaces with the 999 year virtual free hold transferring to the operator on the expiry of the term. In addition, there is a requirement to provide 511 no spaces for a multi storey car park at a cost of £10,000,000 which in part will be used by the studio operator and by the Hotel, commercial operators and occupiers of the serviced apartments.

The proposal for the Studio facility will provide the additional benefits as articulated below: -

Wider Economic Benefits

A high-quality film/TV production will employ 150-200 FTE's in production management, art, costume, and make-up departments. The locations, catering, special effects and construction teams will also employ 100-150 FTE's during the production. With current spending on productions being in the region of £8m per episode with each production delivering 8-10 episodes per annum, the total spend per production can range from £60m to £80m per annum. The consequential local spend on suppliers, studio facilities and local labour could be £15-£25m per production.

The construction phase of the project (circa £48m) would look to engage the local supply chain, potentially returning in excess of £30m to the local economy and employing an average of 130 FTE's for the period.

Education and Training

The proposed operator has already developed a training campus within their other Studios, , equipped with the latest technologies and integrated into the world of Film and TV production. There is a similarity with the Newtown site and we are in discussions with the college operator shaping the offer. The facility will introduce, train and immerse students into the world of Film and TV. It is anticipated that working with the studios the college will allow access to the latest production facilities and equipment and work experience on major film and television projects

The Operators other UK site makes the following offer to partner colleges:

- Free access to state-of-the-art production facilities
- Free access to camera, lighting and grip equipment
- Work experience on major film and television project
- Access to over 300 of the latest production, editing, VR and 3D Apps
- Lectures from key industry leaders
- Access to internship programmes at all owned, managed or affiliated facilities in North America and the UK
- Support and equipment for each student to make their own film
- Job placement – Studio operator's strong relationships with media companies and producers, combined with the work experiences gained at this campus, will benefit students as they start their careers.
- Trades conversion and re-training programmes to re-skill a potential workforce to enable access to the jobs and careers in Film and TV production.

The development will include training and mentoring facilities and functions as part of the development plans. The objective of having training facilities is to raise awareness of the potential of the industry in terms of careers and via funded training and mentoring programmes, help address the skills demand as the UK film and TV sector continues to grow.

The Studio operator, working with the skills levy, will also fund direct placement mentoring and training schemes to embed potential employees within the various productions at the studios. This replicates the steps taken in North America and

learning from the success attributed to the earlier training and development models employed at the BBC. The Studio operator will provide an environment where trainees and apprentices would be supported through a programme of hands-on experience and contribution to provide them with a great introduction to the industry.

In summary

Members are asked to consider a funding envelope of £58,000,000 to be included within the Capital Plan for 2023-2025 and to note a detailed report to Cabinet will follow on this proposal shortly including the due diligence process to be followed.

Proposed Budget Savings for the 2023/24 financial year

Ref.	Service	Saving	£'000	Comments	Proposed year of delivery
i	Corporate	Management Team and wider restructure	300	Based on reducing the size of MT, will require adjustments within team structures. Upfront costs may be required	2023 -£200K 2024 -£100k
ii	Corporate	Proposal to move to International House	300	Based on reducing net costs, future use of the Civic Centre not factored in (i.e. housing scheme). Upfront costs may be required	2023
iii	Various	Review of service structures	505	To be reviewed, reduction in work linked to reduction in staffing	2023
v	Corporate	Administration Review	150	Review underway	2023
vi	Corporate	Enforcement Review	65	Review underway	2023
vii	Policy & Performance	Reduction in Grants	100	Review underway, recommendation to retain the £3k per Councillor	2023
			1,420		