

Agenda Item No:

Report To: Cabinet

Date of Meeting: 22 February 2024

Report Title: Budget 2024/25

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ASHFORD
BOROUGH COUNCIL

Summary:

The final budget has a deficit of £0.35m, this is a reduction of £0.54m from the Draft Budget and will be funded from the MTFP Risk Reserve. The report recommends a Band D council tax at £187.96, an increase of only £5.46 per annum.

Funding the 2024/25 deficit from reserves is a short-term strategy whilst the Council and Management Team develop a savings plan, work on this is already underway and some savings have already been included within the final budget. Further savings proposals will be developed and certainly where they impact service quality will be discussed with the MTFP cross party task group.

The report covers the Housing Revenue Account, which includes an average increase in rents of 7.7% in line with government guidance.

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 2024/25 including the net budget requirement of **£21,760,420 (excluding parish precepts).**

- III. Recommend the level of discretionary and statutory fees to be levied from 1 April 2024 as set out in **Appendix D**.
- IV. Delegate authority to the Corporate Director of Health and Wellbeing to set fees and charges relating to the Ashford Port Health Service to ensure the service remains at cost recovery.
- V. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
- VI. Note the summary of reserves **Table 8** and **Appendix C**
- VII. Note the Equality Impact Assessment in **Appendix E**
- VIII. Recommend the Band D council tax at **£187.96**.
- IX. Cabinet notes the savings already made as referenced in Para 3 and supports the continued working with the MTFP Task Group to identify further saving opportunities.
- X. To introduce a Council Tax premium to second homes from the 2025/26 financial year onwards see **Appendix N**.
- XI. To adopt the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards as demonstrated in Table 2 in **Appendix N**.

Part 3

- XII. Resolve that the Housing Revenue Account budget for 2024/25 be approved.
- XIII. Resolve the rent increase of 7.7% in accordance with government formula, and that rent setting for the future continues to follow government formula.

Part 4

- XIV. Capital Plan 2024/25 to 2026/27 in **Appendix G** is approved.

Part 5

- XV. Recommend to Council that the 2024/25 Capital Strategy be approved **Appendix H**

- XVI. 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

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

Part 7

- XVIII. 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 £5.46 to £187.96 for a Band D property.
- Housing rents to increase by 7.7% in line with the Government formula.
- Revised service fees and charges be agreed to be effective from 1 April 2024.
- The budget deficit of £0.35m to be funded from the MTFP Risk Reserve, while further savings are developed to bridge the medium term financial plan deficit and ensure financial sustainability.

The primary movements from the draft budget resulted from the change in Government funding forecasts with an additional £447,000 of New Homes Bonus and £420,000 for the 4% funding guarantee, the Lower Tier Service Grant was reduced by £117,000. If supported by Cabinet, the Homelessness Budget has been increased by of £445,000 to reflect increases expectations on service demand next year, this was reviewed and recommended by the Overview and Scrutiny Budget Task Group and is support by Management Team. A full list of all the changes between the draft and final budget can be found in Paragraph 53.

Legal Implications: <i>Text agreed by the Solicitor to the Council & Monitoring Officer on 09/02/2024</i>	The Council is legally required to set a balanced budget at the start of every year to meet our financial responsibilities. The Council is also under a legal duty to set its council tax before 11 March in the financial year preceding that for which it is set.
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:	When developing this budget, inflation remained higher than the target of 2% established by the Bank of England (BoE) and in response to this the interest rate have been sharply risen, making borrowing costs more expensive.
Exempt from Publication:	No
Background Papers:	None
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Report Title: Budget 2024/25

Introduction and Background

1. This report presents the final 2024/25 budget for approval and recommendation to full Council. The draft budget was approved by Cabinet in November 2023.
2. 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.
3. The budget for 2024/25 has been balanced by funding the £0.35m deficit from the MTFP Risk Reserve. The current net deficit includes £488,000 of immediately deliverable savings which are within the budget although further savings within the region of £1m will need to be developed to bridge the gap identified within the MTFP. The savings already delivered include £289,000 within planning through the deletion of a number of vacant posts and funding S106 Officers from S106 contributions, £100,000 for restructuring the Parking Team following a number of staffing departures, and £99,000 saving from the transfer of Pitchside and Courtside to the John Wallis Academy.
4. The remaining savings proposals will be developed by Directors and where appropriate will be presented to the MTFP Budget Task Group for consideration. As further savings come forward they will be reported through the Quarterly Budget Monitoring reports which are presented to Cabinet.
5. 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 further savings of circa £1m need to be developed to reduce the budget deficit previously identified in the MTFP.
6. Whilst developing the budget for 2024/25 inflation was starting to reduce and is expected to return to the Government target level of 2% within 2024/25. Interest rates appear to have peaked now at 5.25% and there is some possibility of reduction as we move through 2024/25. However with continued unrest around the globe and economic uncertainty there is risk to both these assumptions.
7. Full details of the revenue budget, HRA budget and capital programme will be contained in the 'Budget Book 2024/25' which will be published on the Council's website once the budget has been approved by Full Council.
8. 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

9. A new Corporate Plan 2025-2027 is currently in the making which will follow on from our current Corporate Plan 2022-2024. Our ambition continues to be working towards creating a greener and more resilient Ashford borough for the future.
10. The council has a Medium Term Financial Plan (MTFP) which was presented to Cabinet in October 2023 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.
11. The MTFP presented in October shows a cumulative deficit of £8.9m 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.
12. With such a significant change in economic and financial conditions since the inception of the 2022-24 Corporate Plan, 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 new Corporate Plan, only taking forward the key strategic priorities.
13. In delivering these services the Council need to ensure stakeholders are receiving best value services, but also understand the service level which is affordable, and what is, and is not a statutory function.
14. The budget included in this report has been built in accordance with the strategy adopted.

Local Government Finance Settlement

15. The local government finance settlement is the annual determination of funding to local government from central government and was published on 18 December 2023, this was debated and laid before Parliament on Monday 5 February 2024.
16. Overall the settlement for Ashford increased funding by 5.8% for 2024/25 (7.49% for English Authorities) with an anticipated increase in council tax revenues of 4.3%, representing the maximum increase permitted and forecast growth. Since 2015/16 there has been an overall increase of core spending power of 11.2% which is well below the level of inflation for the same period which is 32% to December 2023 highlighting the real terms cut in Government funding. The settlement provided no further insight or updates around the future of New Homes Bonus and the proposed Business Rates Baseline reset.
17. The biggest change in forecasts was the New Homes Bonus (NHB) allocation for 2024/25, which was £447,000 higher and has been added into the base budget and largely offsets the proposed growth in Temporary Accommodation.
18. The 3% funding guarantee was unexpectedly increased to a 4% guarantee and was valued at £938,000, £420,000 more than anticipated in the draft

budget, however this was reduced to £303,000 as the Lower Tier Service budget of £117,000 was rolled up into this award. The rural services delivery grant increased by £16,000 to £113,000, following an additional £15m of funding from Central Government and the Services Grant is £20,000 more than the draft Budget.

19. Last year the government increased the Council Tax cap from 1.99% to 2.99% to support high inflation. The Council Tax Cap remained at 2.99% for 2024/25, although there was general frustration within the sector that the £5 cap which previously allowed lower precepting authorities, like Ashford the opportunity to catch up with higher preceptors was not increased, thus creating a greater disparity in Council Tax levels.
20. 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 2024/25 deficit and pressure on reserves.

Business Rates

21. 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 Office and Central Government set the valuation methodology of a business premises rateable value, as well as the multiplier.
22. The budget forecasted the sum of Business Rate income and Section 31 grant to achieve £9.590m. The statutory business rates forecast return (called the NNDR1) has been submitted and is broadly in line with this estimate.
23. The elements of these estimates are discussed below.

Yield

24. The NNDR1 calculates a yield Business rates with Ashford Borough Council retaining 40% which is £23.082m (£21.216m 2023/24), the retained yield is increasing due to actual and forecasted commercial growth within the borough in addition to the increase in the standard multiplier. This includes amounts chargeable to transitional relief, costs of collection allowances, and amounts retained for renewable energy schemes within the Borough.

Tariff

25. For 2024/25 Government have set the tariff level for Ashford at £17.013m (£16.282m in 2023/24) and is in line with expectations. The tariff is the amount that Council has to pay 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.

Multiplier

26. The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the national non-domestic rating multiplier and the small business non-domestic rating multiplier. In recent years the

Government has frozen the multiplier figures to support businesses, and then compensates the Council through S31 Grant for the freeze in yield.

27. For 2024/25 the multiplier is being “de-coupled”, what this means in practice is that the historic practice of linking the calculation of the standard multiplier to the small multiplier (1.3p) has ended, and instead the multipliers (standard and small) will be set independently of each other, and rise in line with CPI, unless the Government choose to reduce them.
28. The 2024/25 yield has increased and in addition to new growth, the standard multiplier has increased from 51.2p to 54.6p in line with CPI (6.7%), the small business multiplier has been frozen at 49.9p and the freeze in growth will be funded through additional Section 31 Grant which is explained further below.

Levy

29. This is a charge against income received over the government’s baseline (growth) 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 2023/24 and also forecast to be 0% in 2024/25.

Section 31 Grant

30. To compensate Local Government for changes that have been imposed on the Business Rates Retention scheme by central government a grant is paid.
31. 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 2024/25 NNDR1 shows this figure as £8.9m (£8m in 2023/24). 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 small business rates multiplier as discussed above.
32. S31 grants can be paid in advance of their accounting treatment in the collection fund and these amounts need to be held in reserves to off-set future deficits in the Collection Fund which are recovered over subsequent years.

Deficit/surplus

33. For 2023/24 the Ashford share of the total business rates element of the collection fund is forecasting a surplus of £227,000, this includes the previous year’s surplus of £125,000, giving an in year surplus of £102,000.

Council Tax

34. Last year the Chancellor increased the council tax cap to 2.99% or £5 whichever is the greater without the need for a local referendum to recognise funding pressures within the sector.

35. The budget is based upon a £5.46 (2.99%) increase in Council Tax for Band D properties, taking the average Band D property to £187.96 in line with the MTFP.
36. The cap is still below the levels of inflation experienced over the last two years and therefore we have seen real terms erosion in Council Tax income.
37. If the Council decides to freeze or increase Council Tax at lower levels than the maximum permitted (2.99%), this will cause a deviation between the actual spending power of the Council, and that forecasted by Government which could affect future grant funding levels.
38. **Table 1** below shows the anticipated (not approved) Council Tax increases across other Kent Districts. 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. For example, if Ashford had the same monetary increase as Folkestone & Hythe for 2024/25, i.e. £3.13 more, this would be an extra £156,000 of income, and clearly highlights the increased disparity under the current capping arrangements.

Table 1 – Anticipated Council Tax increases 2024/25

District	2023/24 Council Tax £	Anticipated Increase %	Anticipated Increase £	Forecast 2024/25 Council Tax £
Dartford	181.35	0.00%	0.00	181.35
Ashford	182.50	2.99%	5.46	187.96
Swale	194.94	2.99%	5.83	200.77
Tunbridge Wells	199.46	2.99%	5.96	205.42
Dover	208.17	2.99%	6.22	214.39
Gravesham	224.46	2.99%	6.71	231.17
Average**	226.59	2.71%	6.32	232.92
Tonbridge & Malling	231.23	2.99%	6.91	238.14
Canterbury	232.92	2.99%	6.96	239.88
Sevenoaks	236.70	2.99%	7.08	243.78
Thanet	255.54	2.99%	7.64	263.18
Maidstone	284.49	2.99%	8.51	293.00
Folkestone & Hythe	287.37	2.99%	8.59	295.96

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

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

39. To add further context of the Council Tax increase at a local level, Table 2.1 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 £12.60 over the last 5 years, £5.09 for Ashford over the same period.

Table 2.1 - Annual increase by Preceptors and proposed 2024/25 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 £	%
2024/25	187.96	5.46	2.99%	1,610.82	76.59	4.99%	256.15	13.00	5.08%	89.92	2.62	2.99%
2023/24	182.50	5.00	2.82%	1,534.23	72.99	4.99%	243.15	15.00	6.57%	87.30	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%

40. In addition to other preceptors, Parish Councils also have the power to increase local parish precepts with 'no cap' set on the increase. The average increase for all Parish Councils for 2024/25 is 29.88%, £13.19 increase for an average Band D Property, Parish Councils with annual increases higher than Ashford are shown in Table 2.1.

Table 2.2 - Parish Council Increases above Proposed Ashford Council Increase

Parish Council	2023/24 Local Tax at Band D	2024/25 Local Tax at Band D	2024/25 Increase per Band D	2024/25 Increase per Band D
	£	£	£	%
Godmersham	39.08	76.92	37.84	97%
Orlestone	31.82	48.60	16.78	53%
Aldington & Bonnington	86.86	101.68	14.82	17%
Hastingleigh	38.79	53.57	14.78	38%
Charing	131.79	146.25	14.46	11%
Smarden	65.12	77.66	12.54	19%
Great Chart with Singleton	118.22	130.28	12.06	10%
South Willesborough & Newtown	56.97	67.81	10.84	19%
Egerton	80.33	90.15	9.82	12%
Brook	80.13	89.40	9.27	12%
Wye with Hinxhill	140.23	148.63	8.40	6%
Boughton Aluph and Eastwell	33.28	41.60	8.32	25%
Tenterden (TC)	167.97	176.13	8.16	5%
Biddenden	48.01	55.90	7.89	16%
Appledore	67.89	74.41	6.52	10%
Bethersden	52.49	58.06	5.57	11%

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 taking into account significant movements since the MTFP was originally presented.
42. Overall the revised assumptions and movement in the MTFP continue to be broadly in line with those originally presented, allowing for a reduction in the overall deficit to account for the £488,000 of immediately deliverable savings included within the final budget.

43. Despite the positive settlement which increased funding by £786,000, the NHB element is only considered for 2024/25 with significant uncertainty remaining around the future of the scheme, although £500,000 per annum is allowed for in the MTFP for a replacement scheme. The other key benefit was the 4% funding guarantee which net of the lower tier services grant reduction benefits the MTFP through the 5 year forecast. However, this benefit will be consumed by the increase in Temporary Accommodation costs that have increased significantly between the MTFP and the Final Budget.
44. With the continued uncertainty over reforms to NHB, the fair funding review and changes to business rates, forecasting assumptions beyond 2024/25 remains uncertain. As further information becomes available finance will update the MTFP accordingly for future presentation, however with impending national elections affirmative action and announcements may be delayed further.
45. 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 2024/25 MTFP.

Recommendations (Part One)

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

PART TWO – GENERAL FUND REVENUE BUDGET

47. A summary of the General Fund budget, including a forecast of outturn for 2023/24 as at 30 September 2023, is shown at **Table 3** below.
48. The Overview and Scrutiny Budget Task Group considered the 2024/25 budget and financial risks during December 2023 and January 2024 and made eight recommendations to Cabinet which are reported elsewhere on the agenda.
49. The revised general fund summary for the 2024/25 budget is shown below with details of the movement explained further on in this section of the report.

Table 3 - General Fund Summary

Actuals 2022/23 £	Budget 2023/24 £	Projected Outturn 2023/24 £	Service	Budget 2024/25 £
17,838,121	19,763,060	20,842,832	Service Expenditure	20,615,130
(2,998,304)	(734,500)	(269,580)	Capital Charges & Net Interest	638,040
144,777	0	0	Revenue Funding of Capital Expenditure	0
298,121	325,000	325,000	Levies	342,880
2,025,162	(649,720)	(1,571,255)	Contribution to/(from) Balances	164,370
17,307,877	18,703,840	19,326,997	ABC Budget Requirement	21,760,420
			Income	
(384,178)	(614,500)	(614,500)	Government Grant	(1,358,000)
(5,375,346)	(7,502,000)	(7,502,000)	Retained Business Rates	(9,589,000)
(1,885,977)	(1,662,000)	(1,662,000)	New Homes Bonus	(1,447,000)
(9,177,792)	(8,925,340)	(8,925,340)	Council Tax	(9,366,420)
484,584	0	623,157		0

50. 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 2024/25 which will be published online following approval of the Final Budget by Full Council.

51. **Table 4** below details the contributions to and (from) reserves which forms part of the proposed 2024/25 Final Budget.

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

General Fund Revenue Reserve	Budget 2024/25 £'000	Comments
Provide for Maintenance of Assets	600	General maintenance of assets
S106 Monitoring Fees	(87)	Quality monitoring officers
MTPF Risk Fund	(349)	To cover budget deficit in the year
Total to/(from) reserve movement	164	

Changes to draft budget

52. 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 £447,000 higher than anticipated, no legacy payments to be made.
- b) The 3% Funding guarantee became 4% and increased by £420,000.
- c) The Lower Tier Services Grant has been discontinued reducing our forecast by £117,000, effectively rolled into funding guarantee.
- d) The Rural Service Delivery Grant was £16,000 more than anticipated in the draft budget following a further £15m of funding by Government.
- e) Services Grant for 2024/25 is going to be £20,000.
- f) Courtside and Pitchside lease expired and was not renewed saving the Council £98,700.
- g) Kent County Council additional funding of £75,000 due to removing Band D and Band D Discounts, share of the benefit to KCC.
- h) Overall decrease in salary costs of £205,880.
 - a. Savings in Planning salaries of £202,220, deletion of vacant posts in Strategic Applications (1.5 FTE), Enforcement (0.8 FTE) and Administration (3.3 FTE).
 - b. Use of S106 and Quality Monitoring reserve to fund appropriate Officers (2.5 FTE) saving £86,780.
 - c. Increase in salary costs of £95,400 within Homelessness;
 - d. Reduction in salary costs of £12,280 in various departments updating draft budget assumptions.
- i) An increase of £445,000 within the Homelessness budget to support additional pressures as per Overview and Scrutiny Budget Task Group which is supported by Management Team.
- j) Increase in rates and service charges at Park Mall by £177,340.
- k) The net surplus in grant and other adjustments detailed above totalling £543,200 have been used to reduce the 2024/25 contribution from the MTPF Risk Reserve.

These movements are summarised in the table below showing the movement in the contribution required from reserves to balance budget, and fund the remaining deficit:-

Table 5 – Movement from draft to final budget

Description	Movement £
Opening Balance contribution from reserves	(892,050)
Increase in new Homes Bonus	(447,000)
Increase in 4% Funding Guarantee scheme	(420,000)
Savings in Planning salary costs	(202,220)
Surrender of lease for Courtside and Pitchside	(98,700)
Funding of 2.5 FTE from S106 Monitoring Reserves	(86,780)
Additional payment from KCC due to the Removal of Band D discounts	(75,000)
Services Grant	(20,000)
Increase in Rural Service Delivery Grant	(16,000)
Reduction in salary costs across various departments	(12,280)
Increase in homelessness budget	445,040
Increase to business rates and service charges in Park Mall	177,340
Decrease in Lower Tier Service Grant	117,000
Increase in homelessness salary costs	95,400
<i>Decrease in transfer to MTFP Risk Reserve</i>	<i>543,200</i>
Closing Balance contributions from reserves	(348,850)

Council Tax

53. The Final Budget summarised in **Table 3** includes a Council Tax increase of £5.46 (2.99%) which would result in an annual Council Tax charge of £187.96 for a band D property. The tax base setting report presented to Cabinet in October 2023 determined that the Council had 49,832 equivalent Band D properties.

Council Tax Reduction (CTR)

54. In January 2020 Cabinet approved a new CTR scheme. The main feature of this 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 to date without any problems or challenges.
55. 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 2024 the NLW will increase from £10.42 per hour to £11.44 per hour, and the income bands used in the CTR scheme will rise accordingly.

Council Tax Premiums

56. From 1 April 2025, billing authorities will be given the ability to add a Council Tax premium to second homes. Billing authorities will also be given the ability to amend existing long term empty home Council Tax premiums from 1 April 2024, more details can be found in **Appendix N**.

Business Rate Relief

57. 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 through S31 Grant.
58. In terms of the wider policy concerning discretionary rate reliefs, there was an intention during 2023/24 to review the discretionary rate relief policy introduced from April 2013. However, due to new government legislation in 2023 regarding how far back reliefs can be backdated, as well as demand pressures placed on the service, it is now anticipated for the review to happen during 2024/25 with a view to implementing a revised policy from April 2025. The existing policy will be amended in light of the new legislation to allow backdating of reliefs to 1 April 2023 (but no earlier).
59. Therefore, in view of all the above points, it is recommended that powers to establish local reliefs/discounts within the localism act continue to be delegated to the Chief Finance Officer (Deputy Chief Executive), as in previous years.

Discretionary Fees

60. For the 2024/25 discretionary fees and charges have been increased by 5% on average. This increase does not include parking which is set and reported separately, and has not included garden waste collection. The garden waste collection service is proposed to increase from £45 to £60 per annum in 2024/25 to reflect the additional costs of providing the services through the new waste collection contract. Fees and charges proposed from 1 April 2024 at a service level are shown at **Appendix D**.
61. It is recognised that some of the fees and charges appear to be considerably higher than the average 5% increase, these increases are generally a result of low fees where a small increase in monetary terms translates to a significant percentage increase. 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.
62. 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.
63. With Ashford Port Health Service becoming fully operational in 2024/25 the proposed fees and charges from 1 April 2024 are included at **Appendix D**. However, given that there remains some uncertainty over the total volumes of consignments that will need checking, and the total costs involved, it is

recommended by cabinet to give:- **Delegated authority to the Corporate Director of Health and Wellbeing to set fees and charges relating to the Ashford Port Health Service to ensure the service remains at cost recovery.**

64. This delegation if approved, will ensure that the service can flexibly adapt existing charges and introduce any new charges where appropriate, in a timely manner to ensure that the service remains self-funding.
65. The budget has been built with this level of fees and charges.

Savings

66. The MTFP presented in October 2023 highlighted that the Council faced a £8.9m deficit over the 5 year period with considerable pressure coming into the final three years due to uncertainty surrounding the proposed Business Rates baseline reset, the forecast deficit for 2024/25 was £854,000.
67. The proposal in the MTFP was to develop a savings strategy to deliver annual savings of £1.5m to reduce the financial risk moving forward and ensure Ashford remains financially sound.
68. As part of the budget setting and reviewing process, and following discussion at Directors meetings, the Authority has been able to deliver £488,000 of immediately deliverable savings which are included within the final budget. The savings already delivered include £289,000 within planning through the deletion of a number vacant posts and funding S106 Officers from S106 contributions, £100,000 for restructuring the Parking Team following a number of staffing departures, and £99,000 saving from the transfer of Pitchside and Courtside to the John Wallis Academy.
69. There is still a need to deliver further savings within the region of £1m per annum to bridge the gap identified within the original and updated MTFP. Further savings proposals will be developed by Directors and where appropriate will be presented to the MTFP Budget Task Group for consideration. As further savings come forward, and it is appropriate to do so, they will be reported through the Quarterly Budget Monitoring reports which are presented to Cabinet.
70. The deficit of £348,850 for 2024/25 budget will be funded from the MTFP Risk Reserve, however, relying on reserves to close the budget gap is not a sustainable long term option for the Council.

Reserves

71. The Council has built up reserves (*Assets less Liabilities & debt = Reserves*) over the years which provides the Council with the ability to finance future expenditure plans, meet general fund pressures arising within years, and support important Council services to residents, such as Tenterden Leisure Centre in recent years. Although in these instances the Council need to be mindful of the drain on reserves and it cannot be a long term funding solution.
72. The reserve balances held by the Council are invested in Strategic Investments including equities and the CCLA Property Fund. These funds

earn interest that is used to support the general fund budget and therefore any reduction/increase in reserves will have an impact on the annual budget. It can be broadly assumed that reserves generate a 4.5% return, therefore £45,000 increase or reduction in interest for each £1m movement, or one average full time employee.

73. As part of setting the 2024/25 budget and giving consideration to future financial planning, reserves have been reviewed to cover future risks, and support strategic projects and priorities.

Review of Financial Risk and Allocation of Reserves

74. The approach adopted moving into 2024/25 and considering the current financial challenges facing the Public Sector, is to consider the overall financial risk exposure of the Council, what the ideal risk reserve position should be, and most importantly what reserves does the Council actually have to mitigate risks.
75. The review identified six areas of key financial risk, and consideration was given to quantifying the Total Risk Exposures, Ideal Provision, and Actual Reserve Coverage as discussed in the previous paragraph.
76. The six categories of risk are highlighted below with narrative to quantify the purpose of the risk, it is recommended that these categories are used for financial reporting moving forward. The review of reserves was presented to the Overview and Budget Scrutiny Task group who supported the approach.
77. **Table 6** below shows the categories of risk and the levels of provision required, the actuals are estimates of the reserves available at years end and are subject to change as the Council's final financial position is resolved.

Table 6

Summary of Financial Risk and Coverage as at 31 March 2024	Total Risk Exposure at 31 March 2024	Ideal Provision at 31 March 2024	Actual Coverage at 31 March 2024
General Fund Minimum Level	3,265	3,265	3,265
MTFP Risk	16,399	8,928	8,081
Provide for Maintenance of Assets	10,000	5,000	5,000
Collection Fund Risk	1,000	1,000	1,000
Strategic Investment and Property Risk	9,700	3,000	2,000
Climate Change Delivery Fund	1,000	1,000	805
Useable for operational purposes	38,099	18,928	16,886
General and Operational Reserve Total	41,364	22,193	20,151

78. As can be seen from the table above, the Council has an estimated worst case total risk exposure of £41m, it is unlikely that all these risks would come to fruition but this shows the councils risk exposure. The ideal provision is therefore reported at £22m, this has been developed as a prudent provision that gives the Authority comfort that future risks can be managed.

79. Despite the prudent provision being £22m, it is forecast that the Council will have £20m of useable reserves at 31 March 2024. Therefore some of the areas will not be covered to preferred level.
80. The **current** financial risks can be managed through savings and will reduce as strategic investments recover/progress and more certainty is provided over Government Funding. However, there are significant areas of risk towards the back end of the MTFP cycle (Business Rates) and therefore the significance of these risks will evolve and increase as we move forward.
81. **Table 7** expands on the areas highlighted above and provides further context to the total exposure and ideal level of provision.

Table 7

Reserve Heading	Reserve Purpose	Risk
General Fund: Minimum Level	To maintain a minimum reserve balance equal to 15% of the Net Operational Budget excluding contributions to and from reserves	<p>A drop below 15% would leave the Council exposed to unforeseen financial risk and would trigger S114 discussions. – Plans to cut all non-statutory services would need to be developed.</p> <p>This level is set at 15% as this would allow time for proposals to be considered, and reported through appropriate channels with provision for making the cuts, most likely staff redundancy, contract termination costs etc.</p>
MTFP Risk	Reserve to cover the risk identified within the last reported MTFP based on no savings being developed. This risk will be reviews as savings are delivered and as new risks emerge/diminish.	<p>This risk was communicated through the MTFP report that was presented to Cabinet in October 2023.</p> <p>The main risks arising from the MTFP were the ongoing uncertainty around business rates, and the proposed baseline reset. The other pressure emerging is that the Council's general expenditure is in excess of its income creating an operational deficit. It is proposed to fund the deficit through reserves in the short term, although it is recognised as not being a sustainable medium/long term financial strategy.</p> <p>The overall exposure reported in the MTFP was £8.9m and this is highlighted as the ideal provision, however in relation to total exposure this has been increased by £7.4m to reflect the risk to business rates over the period as advised by LG Futures.</p>
Strategic Investment and Property Risk	Recognise risk associated with Strategic Investment to cover possible losses in the	Strategic investments include loans made to the Council's subsidiary companies in addition to the Strategic Investment portfolio where reserves are invested. This area also draws out risks to

	<p>event of forced sale (Potential Credit Loss). This also supports in year pressures arising through voids within the commercial property portfolio.</p>	<p>operational budgets relating to the Council's corporate property portfolio which can experience volatility in challenging economic conditions.</p> <p>The total risk exposure here is £9.7m and includes a £6.2m gap in tangible security over loans with A Better Choice for Development Ltd. Relating to the Infinity development site. This pressure arises as the Company is incurring ongoing fees in progressing the scheme that would not be fully recoverable if the site was disposed of, i.e. planning, architect, interest costs etc. As the scheme develops, and Stodmarsh mitigation comes forward, then the scheme can be fully appraised to determine viability. There are a number of ways in which this risk may play out and options will be considered and reported as information becomes available, this is why this amount has also been reduced for ideal cover. There is also positive equity in A Better Choice for Property Ltd. That could be realised.</p> <p>The Council has operated a strategic investment portfolio since 2013 which has provided solid returns to the Council during this time. Due to Covid and the continued economic challenges, the overall portfolio is currently around £2.5m down original investment values which would be crystallised if the portfolio positions were exited. The Council is mindful of the nature of these investment vehicles in that they should have a Long Term outlook and maintaining this position should see the values recover over time. These positions are monitored with specialist treasury advisors.</p> <p>Despite having a diverse corporate property portfolio, changes in working practices and the economic pressures on the hospitality sector are still evolving; therefore it would be prudent to make a £1m provision to support operational pressures. I.e. reduction in income from void units.</p> <p>This risk will need to be kept under review and be monitored through the Trading and Enterprise Board and through budget monitoring processes.</p>
Maintenance of Assets	To provide for the maintenance of the Council's assets,	It is imperative to have well maintained assets to ensure that they remain in good order and therefore desirable for letting, and support the

	<p>including the Aspire fleet. In addition to this a number of leases require the Council to put aside money to cover future maintenance liabilities.</p>	<p>retention of tenants, in addition to meeting statutory responsibilities as a landlord. This reserve is added to as part of the base budget and through commercial income generated through Aspire.</p> <p>Asset management; the Council is currently compiling the result of a condition survey that encompassed the corporate portfolio. This work will help further inform Officers of the condition of the Council's assets which will help inform the level of work required to meet government energy efficiency ratings and ensure the stock is kept in good condition. It could also be used to inform what assets should be considered for disposal.</p> <p>The Council is aware of the importance of maintaining assets and £600,000 (£500,000 for Property and £100,000 for Play Parks) is earmarked for transfer to the repairs and renewals reserve on an annual basis. Unfortunately in recent years this reserve transfer has been diminished as a large amount of ad-hoc work that has been necessary, largely to comply with health and safety requirements.</p> <p>As the information from the condition surveys becomes available this risk will be updated.</p>
<p>Climate Change Delivery Fund</p>	<p>Will be used to support projects that support the reduction of Carbon within the Borough.</p>	<p>This fund will be used to explore and fund improvement that will contribute to the Green Agenda.</p> <p>While this is not a risk as such, this is an important area within the Corporate Plan and therefore needs some funding to support the development of ideas and match fund decarbonisation grants that are available.</p> <p>In relation to funding decarbonisation works, there is some overlap here with the Maintenance of Asset reserve.</p>
<p>Collection Fund Risk</p>	<p>Risk of fluctuating cashflows as a result of support schemes being awarded by Government which are then reimbursed through S31 Grants.</p>	<p>This fund is used to manage movements in the collection fund (Council Tax and Business Rates) that can leave the Council exposed due to timing differences in government grants being paid and movement in estimate /actual payments to other preceptors.</p>

	To support movements in actual levels of income received as a result of economic downturn which are then recovered from preceptors in subsequent years.	
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82. A reserve forecast based on the new categories for the next 3 years is shown at **Appendix C**, summarised below. The reserve movements only considers known project expenditure and those already underway (Notably commitment to support completion of the Local Plan, a Public Sector Decarbonisation Fund match funding for works at International House), or amounts that are committed within the 2024/25, 2025/26 budgets. The table below does not allow for delivery of future savings targets and therefore if the savings are delivered, then the call on reserves will be reduced.

Table 8 – Summary of Reserves

<u>Earmarked general fund reserves</u>	Forecast at 31 March 2024 £'000	Forecast at 31 March 2025 £'000	Forecast at 31 March 2026 £'000
General fund Minimum Level	(3,265)	(3,265)	(3,265)
Operational reserves			
MTFP Risk	(8,081)	(7,646)	(7,346)
Collection Fund Risk	(1,000)	(1,000)	(1,000)
Strategic Investment and Property Risk	(2,000)	(2,001)	(2,001)
Climate Change Delivery Fund	(805)	(805)	(5)
Provide for Maintenance of Assets	(5,000)	(5,000)	(5,000)
Useable for operational purposes	(16,886)	(16,451)	(15,351)
General and Operational Reserve Total	(20,151)	(19,716)	(18,616)

83. 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.
84. The Council has maintained a policy that the general fund balance should be no less than 15% of net budget requirement, for 2024/25 this will be £3.3m.
85. The Council's continued ambition is for it to have a balanced 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

86. The Overview and Scrutiny Committee Budget Task Group has examined the detailed budget proposals and reported it's findings back to the full Overview and Scrutiny Committee on 13 February 2024 and the Committees report is elsewhere on the agenda.
87. 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

88. 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.
89. Members are referred to the attached Assessment at **Appendix E**.

Recommendations (Part Two)

90. The Cabinet is asked to:
 - II. Recommend the Revenue Budget 2024/25 including the net budget requirement of **£21,760,420 (excluding parish precepts)**
 - III. Recommend the level of Discretionary Fees to be levied from 1st April 2024 (as set out in **Appendix D**)
 - IV. Delegate authority to the Corporate Director of Health and Wellbeing to set fees and charges relating to the Ashford Port Health Service to ensure the service remains at cost recovery.
 - V. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
 - VI. Note the summary of reserves **Table 8** and **Appendix C**
 - VII. Note the Equality Impact Assessment in **Appendix E**
 - VIII. Recommend the Band D council tax at **£187.96**.
 - IX. Cabinet notes the savings already made as referenced in Para 3 and supports the continued working with the MTFP Task Group to identify further saving opportunities.
 - X. To introduce a Council Tax premium to second homes from the 2025/26 financial year onwards see **Appendix N**.
 - XI. To adopt the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards as demonstrated in Table 2 in **Appendix N**.

PART THREE – HOUSING REVENUE ACCOUNT

Housing Revenue Account Budget

91. The 2024/25 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 2023-2053”.
92. Table 8 shows an overspend of £1.56m in the HRA budget for 2024/25. 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 the housing stock includes de-carbonisation works to improve EPC (Energy Performance Certificate) ratings to C.
93. The HRA Business Plan is affordable over the life of the model, it is ambitious, with its focus to increase housing provision. However, plans have been delayed in response to the impact of the nutrient neutrality requirements at Stodmarsh. Information on schemes currently being considered are covered within the capital programme shown at **Appendix G**.
94. The increase in affordable housing supply is designed to not only reduce the waiting list but also to reduce the pressure on temporary accommodation. The properties offered to homeless households will be let on non-secure tenancies, from which households will be “moved-on” into more permanent housing as it becomes available.
95. The 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.
96. There are a number of challenges coming forward for the HRA that could have resource and financial implications moving forward.
97. There is increased targeting of social landlord tenants in recent years by 'no win no fee' lawyers that has led to increase in the number of disrepair claims being managed by the Council. While the council will manage each case on its merits it is the responsibility of the Council to learn from these claims and ensure our stock is appropriately maintained to reduce the number of claims at source.
98. Part of mitigating future disrepair claims and to be regulator ready is to fully understand the condition of the housing stock. To do this the Council is commissioning a full survey of the housing portfolio that will be used to provide assurance over the quality and safety of the stock, provide data to make better informed decisions around investment requirements and priorities, and enable better future planning assumptions through stock condition forecasting conventions. In the short term this might result in an increased need to have a greater expenditure on programmed maintenance which will be reported through the budget monitoring reports.

99. New regulatory consumer standards that are being introduced by the Housing Regulator (from April 2024) that are designed to ensure registered providers meet these standards, and ensure tenants live in safe, quality homes, have choice and protection, and can hold landlords to account (disrepair claims).
100. The new regulations will fall into four key themes:-
- The Safety and Quality Standard
 - The Transparency, Influence and Accountability Standard
 - The Neighbourhood and Community Standard
 - The Tenancy Standard.
101. These will be thoroughly reported through housing in due course, but it is being raised as part of this report to highlight to members the changing regulatory environment coming forward.
102. The 2024/25 budget in **Table 8** is shown in more detail, analysed to subjective level, at **Appendix F**.

Table 8 – Housing Revenue Account Budget 2024/25

Actuals 2022/23 £	Budget 2023/24 £	Projected Outturn 2023/24 £	Detail	Budget 2024/25 £
(29,338,722)	(30,346,700)	(30,685,250)	Income	(33,045,850)
9,847,132	6,531,770	6,881,230	Supervision and Management	7,648,170
4,422,676	5,333,360	6,014,890	Repairs and Maintenance	6,509,870
185,450	105,340	158,160	New Builds	69,370
14,958,473	19,520,830	18,901,200	Other	20,379,470
75,009	1,144,600	1,270,230	Service Expenditure	1,561,030
4,286,063	4,906,100	4,367,700	Capital Works	12,251,870
(4,286,063)	(4,906,100)	(4,367,700)	Financed By: Contribution from Major Repairs Reserve	(12,251,870)
0	0	0	Net Capital Expenditure	0
75,009	1,144,600	1,270,230	Total Net Expenditure	1,561,030

Housing Revenue Account - Rents

103. In 2017 Government announced that for five years, from 2020, rents setting would be limited to CPI+1%, however this increase was capped, for one year, in 2023/24 at 7% in response partly to the cost of living crisis but also to reduce pressure in Central Governments budgets who would cover this increase through Housing Benefit to a number of tenants. This cap will not apply for 2024/25 and subsequently the rent increase will revert back to formula which is 7.7%.
104. Therefore, the average weekly rent, for social housing, will be £109.84 (£101.99 for 2023/24). For tenants receiving housing benefit the increase will not have any cash impact as new rent levels are reviewed to ensure that they remain within the Local Housing Allowance rates. This increase will add pressure to household budgets where people are not in receipt of full benefit. Of our tenants there are 73% on UC/HB, some of those are on partial

benefits, so an increase will affect them, but to a lesser extent than those on no benefits. The Council will continue to apply for government grants to help support those where possible.

105. The rent increase also applies to 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 2024/25 will be £168.24 (£157.92 in 2023/24).

Recommendations (Part Three)

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

- XII. Resolve that the Housing Revenue Account budget for 2024/25 be approved
- XIII. Resolve the estimated average rent increase of 7.7%, in accordance with government formula, 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

107. This section gives consideration to the level of capital resources that are potentially available to support priorities including the business plan and other requirements
108. Capital investment currently may be funded from:
- a) Internal resources such as capital receipts and revenue reserves.
 - b) Prudential (external) borrowing.
 - The 2024/25 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.
 - c) Third party grants and contributions from government, other local authorities or private organisations.
 - d) Section 106 developer contributions – currently we hold contributions amounting to circa £14.7m (capital & revenue), £6m 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

109. The HRA has continued to invest in both building and buying new stock, it is anticipated 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 2023).
110. 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 2024/25

111. 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 of projects and proposed financing of the Corporate Plan is shown at **Appendix G**.

Property Portfolio

112. 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.
113. 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

Newtown Works

Phase 1

114. A considerable proportion of the infrastructure works have been completed including remediation, restoration, site preparation, utilities, and archaeology. These works will facilitate the conversion of the engine shed to create the education facility for the college and develop circa 300 residential units. A revision to the scheme is proposed to relocate circa 60 residential units into the locomotive sheds and in doing so move the internal car parking into another part of the site.

Phase 2

115. The Ashford International Development Company continues to seek an operator for the development. Funding has been approved in principle to bring forward an operator subject to the due diligence being completed. 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.

Corporate Projects

Nutrient Neutrality

116. 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.
117. The Council and Developers are working on solutions with the Council seeking to deliver a strategic wetland and developers looking for alternative strategies. The Council has paused work on its strategic wetland solution waiting for further guidance from central government, including how these proposals will be funded. The Council has implemented a number of proposals to unlock Council's own developments of circa 1,000 units.

118. 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.
119. 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.

Carbon Neutrality

120. 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 installation completed October 2023 which had approval to spend £500,000 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.
121. The Stour Centre carpark solar farm has completed feasibility stage and awaiting revised designs before submitting a report to Cabinet in late spring 2024.
122. International House has secured £1.6m funding for its decarbonisation programme, with an estimated ABC contribution of £800,000. Works will aim to commence 2025/26 as designs and plans have yet to be drawn up and then approved.
123. 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

124. 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 £119m represents the total facility available to the Company with each acquisition requiring approval through the Council's Trading and Enterprise Board.
125. Currently the company has 101 units within the portfolio, made up of a mix of apartments and houses of varying sizes. A Better Choice for Property 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.

Housing Revenue Account Capital Programme

126. 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.

127. There are a number of Housing Revenue Account projects currently underway as well as a number of projects due to commence during 2024/25, brief outlines are below with more information contained within the HRA Business Plan which was presented to Cabinet in December:
128. Henwood Temporary Accommodation project is to deliver twenty three units manufactured by Zedpods and be used for temporary accommodation “move on” 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. The project has commenced and is expected to be completed by end of late summer, early autumn 2024. A bid is being submitted for Homes England funding.
129. Kent Wool Growers site (KWG) site was purchased by the Housing Development Team, using delegated authority, with endorsement by Cabinet (December 2022). The site is currently derelict but offers an exciting opportunity to develop 1.2 hectares into a mixed tenure development and Homes England funding can be sought.
130. 55 Mabledon Avenue (the former Piper Joinery site) is a site the Council acquired in 2019/20. It is proposed that twenty 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, for completion in 2028/29. This development is being supported by 1-4-1 monies which are generated from right to buy receipts.
131. Coneybeare site proposes circa twenty five properties, mixture of houses and flats. The first consultation has taken place with second consultation period to be held before end of this financial year. ABC acquired former Alpha Blinds site to enable site access.
132. The redevelopment of Oakleigh is experiencing significant delays as a result of the difficulties obtaining planning consent. Demolition consent was given in August 2022, but the planning application was refused by the Planning Committee in September 2022. Revised plans were agreed in February 2023 subject to Stodmarsh mitigation. Works now delayed until 2026/27 and a bid made to Homes England for funding.
133. Local Authority Housing Fund Programme (LAHF) is purchasing properties through the street purchase mechanism to house Ukrainian and Afghanistan refugees. LAHF funding totalling £3.6m has been secured and to date nine homes have completed, with a further seven going through the conveyancing process.
134. Monypenny & Vicarage - The vicarage and land were purchased in 2021/22 for £1.2m. This site is to be developed into providing a modernised independent living scheme and additional dwellings. This site is not affected by Stodmarsh so estimated completion 2028/29. A bid for Homes England funding will be applied for on this project.
135. HRA Decarbonisation Programme has identified all dwellings that do not currently achieve an Energy Performance Certificate (EPC) rating of Band C. To bring these dwellings up to the required standard it is expected to cost

around £19.3m. Grant funding of £5m, from the Department of Business, Energy and Industry Strategy has been secured and further funding for the next tranche of works is being applied for. This piece of work and anticipated funding has led to a reduction of around £63m, compared to the original estimates. Around four hundred surveys to date have been undertaken by EON, which will enable works to commence to achieve an EPC Band C rating.

Recommendations (Part Four)

136. The Cabinet is asked to:

- XIV. Recommend to Council that the Capital Plan for 2024/25 – 2026/27 in **Appendix G** is approved.

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

Capital Strategy

137. The Capital Strategy demonstrates 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.
138. 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.
139. 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, the impact upon its future council tax and council rent levels is 'acceptable'.
140. The Capital Strategy recommended for 2024/25 is attached at **Appendix H**.

Treasury Management Strategy

141. The Council adopted the CIPFA Code of 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.
142. The code provides a framework to ensure the Council gives appropriate consideration to its Borrowing and investment activities and sets appropriate controls commensurate with the Council's risk appetite.
143. As part of a proactive approach to treasury management officers consider both investment opportunities, as well as opportunities for debt restructuring. As at 31 December 2023 the Council had £110.9m of borrowing relating exclusively to HRA and £110.7m 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 accordingly at year end. The Council had investments with a fair value of £33.5m at the time of writing, of which £30.5m were strategic long term investments.
144. In 2024/25 the Council's General Fund Net Interest on Borrowing and Investments is forecast to have a net deficit of £3.08m, in 2023/24 a net

surplus of circa £535,000 was reported. The movement of £2.5m relates to significant increases in the costs of debt to the Council which has increased from 4% to 5.50% during 2023/24.

145. Behind the headline numbers there has been an increase in investments income of circa £273,000, this is due to investment income from funding to Ashford International Development Company for the Newtown Works Development.
146. The external interest payable budget has increased by circa £2.8m representing the increase in interest rates. The Council will continue to borrow in the short-term as it is expected interest rates will start to fall from autumn 2024.
147. In the meantime, the Council will reduce average borrowing duration, and in some instance only borrow for a period of one week where appropriate. Officers are continually evaluating opportunities to reduce borrowing and take advice on all investment and borrowing decisions with its external advisors Arlingclose.
148. The proposed Treasury Management Strategy Statement for 2024/25 is attached at **Appendix J** (it is a requirement to review this annually).

Investment Strategy

149. 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. 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.
150. The Investment Strategy for 2024/25 is attached at **Appendix K**

HRA Debt Pools

151. 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 & General Fund with new loans 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.
152. 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

153. Each year the council must agree a statement on its policy for making a Minimum Revenue Provision (MRP), which is money set aside for debt repayment.
154. 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

155. Only options 3 and 4 can be applied to new capital expenditure, with option 3 being the most practical to adopt, as well as being a better fit for the Council's borrowing requirements.
156. In relation to option 3 there are two methods for estimating the MRP requirement as follows:
- a) based on equal instalments over the useful life of the asset, and
 - b) based on an annuity repayment, linked to the annual interest rate.
157. 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.
158. 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).
159. 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.
160. The Council has the ability to use bespoke MRP policies, where they are deemed prudent, any bespoke MRP policies considered will be reported through Council as necessary.
161. The MRP Policy for 2024/25 is attached at **Appendix I**.

Recommendations (Part Five)

162. The Cabinet is asked to:
- XV. Recommend the Capital Strategy is approved as set out in **Appendix H**.

XVI. Recommend that the MRP Policy **Appendix I** and the Treasury Management Strategy Statement at **Appendix J** and the Investment Strategy at **Appendix K** are approved.

PART SIX –

Exceptional Circumstances Policy

163. 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.
164. Exceptional circumstances falls within S13(A)(1a) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction scheme.
165. The full policy can be found in **Appendix L**

Recommendations (Part Six)

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

PART SEVEN – ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Background

167. 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.
168. 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.

Robustness

169. Assessing the robustness involves five considerations:
- I. The quality of the budget setting process followed
 - II. consideration of the **context** in which the budget is set and how that context is understood, may develop, and therefore influence budgetary issues,
 - III. consideration of the various **components** of the budget, and
 - IV. **weighing-up** all factors and taking a balanced view.
 - V. to ensure that there are adequate processes for monitoring and reviewing the budget during the financial year

The Robustness of the Budgeting Process

170. 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 Budget Task Group.
171. The 2024/25 budget has a gap of £0.35m and the deficit already includes £488,000 of immediately deliverable savings, although a further £1m of savings will need to be identified to bridge the gap identified within the MTFP. Savings proposals will be developed by Directors and where appropriate will be presented to the MTFP Budget Task Group for consideration. As savings

come forward they will be reported through the Quarterly Budget Monitoring reports which are presented to Cabinet.

172. It will take time to deliver these significant 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.
173. 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.
174. As Chief Financial Officer I support this approach, reserves were established for just such a purpose; but the Councils reserves are a finite amount and can only be used once.

Context

Local Government Sector and S114

175. There is a significant amount of coverage over Local Authorities issuing S114 notices. This is when a Council has insufficient resources to meet its expenditure. Commonly these have been Authorities where there has been poor financial management and governance, or responsibility for Social care. There is wide scale reporting that the sector as a whole is at a tipping point with large numbers of authorities signalling that they are at risk of S114.
176. In general, an authority is getting into the Zone of a S114 when its forecast deficit is greater than its reserves. This can either be when in year deficits are higher than reserves, or there are not sufficient reserves to cover the coming years budget a S114 would need to be issued.
177. The advice in this report (particularly the advice on reserves) demonstrates that the council **is not** in S114 territory. The Council is facing risks and uncertainty and needs to take measured action but provided it continues to act responsibly it can navigate the financial challenges ahead.
178. Considering the widespread pressure on local government finances and recent increases in authorities either issuing or considering issuing S114 notices, the Department of Levelling Up, Housing & Communities (DLUHC) has issued revised statutory Best Value guidance.
179. This Guidance seeks to remind authorities of their duties under Part 1 of the Local Government Act 1999 to

“make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the combination of economy, efficiency and effectiveness”.
180. The guidance goes on to explicitly state, and thus interpret, the Best Value duty, as:

“In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget, provide statutory services, including adult social care and children’s services, and secure value for money in all spending decisions”.
181. Government is saying that those councils that cannot balance competing statutory Best Value duties are not meeting their legal obligations under the Local Government Act 1999.
182. The Government’s position, in the revised Best Value guidance, is not new. Best Value inspectors authorised by the Secretary of State of those authorities that have issued a Section 114 notice have consistently identified

council failure as being underpinned by an inability to meet the Best Value duties.

Corporate Plan

183. This budget that has set as the Council transitions to a new corporate plan. The plan will outline a vision for the Borough and include 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 this will be a challenge** to the Council to achieve this whilst staying within budgeted resources.
184. 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 in recent years, and especially the last two have significantly reduced our organisational capacity.
185. Comprehensive advice has been provided to members concerning our financial forecasts and their underlying assumptions. Final assumptions were reviewed by the MTFP Task Group and reviews with the cabinet over the summer, and a review by the Overview and Scrutiny Committee's budget task group.

National Policy

186. The General Election is due in the next year and this presents a clear barrier to understanding the direction of governments policy, the current government has not addressed the funding model for local government instead giving short term funding to keep authorities afloat. The 'in tray' of any new government will be full and it's unclear how much priority is placed on addressing the structural issues in local government funding. If this is a low priority then we can see the sector continuing to receive short term settlements and ad hoc grants to address pressures.
187. When developing this budget, inflation remained higher than the target of 2% established by the Bank of England (BoE) and in response to this the interest rates have been sharply risen and peaked at 5.25%, making borrowing costs more expensive.
188. With risks to manage within this budget (and the associated Medium Term Financial Plan) a considered view is taken of both. The Council has re-profiled reserves to match emerging risks to the council which was covered earlier within this report. As previously referenced reserves are limited and should only be used in exceptional circumstances to balance budget while longer term plans/savings are developed.
189. The inclusion of the Port Health Authority 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, there is a risk to be managed as the service becomes fully operational and levels of demand, resources necessary to service this demand, and the charging structure is established. This risk is more prevalent as Government have previously funded expenditure although this arrangement, and the need for it to be self-funding becomes a reality.

There is currently a ring fenced reserve that can be utilised to support any financial pressures during this transitional period.

190. 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.
191. 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.
192. **With the 2024/25 budget being balanced from the use of MTFP Risk Reserve, 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.**

Key components of the budget

193. 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 13 February 2024, noting the need to use reserves to balance the budget.
194. The Overview and Scrutiny Budget Task Group focused on a number of key themes in forming their opinion which are identified below:-
 - a. The council's corporate property, asset condition and asset maintenance programme
 - b. Risks linked to the commercial property portfolio
 - c. Details around preparations for the Local Plan and the use of consultants as well as the impact on existing resource.
 - d. How the council are managing new regulations around planning fees and charges.
 - e. Planning enforcement resources
 - f. The council's reserves risk and policy including significant financial risks and key income streams.
 - g. Details on the borrowing portfolio and the expected borrowing interest rate increases

The Task Group also received the following:

- h. Copy of a housing options report recently circulated to the Senior Leadership Team.
- i. Advice from the Monitoring Officer regarding Overview and Scrutiny's involvement in the organisations structure.

195. From the above areas of coverage listed above cabinet were asked to note, and be advised of a number of matters arising. One of the recommendations was to increase the Temporary Accommodation budget by £455,000 and this has been supported and included in the Final Budget.
196. The full report on the review of the Draft Budget can be found at Agenda item 6 of the Overview and Scrutiny Committee dated 13 February 2024.

The Risk Horizon

197. Business rates is a significant risk to the Council, and with uncertainty over the timing and severity of the baseline reset which has been proposed by Government it is challenging to fully plan for the future. This position will continue to be monitored and the MTFP will be updated as new information becomes available. Currently the worst case scenario could see the Council lose around £6m per annum after a period of transitional relief, however it is felt that this would be too severe and government would not be able to implement this. Therefore the MTFP task group reduced the drop in funding to around £2.5m per annum from 2026/27. It is appropriate and prudent to prepare for a reduction following the baseline reset until the risk is quantified.
198. The Housing team is working on solutions to ease Temporary accommodation which continues to add additional pressures to the budget 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.
199. Other risks to budget are detailed in the appendix but there are particular inflationary pressures. Although inflation is no longer in the double digits territory, is still higher than the 2% target and most importantly its been higher than the level spending power has increased for a couple of years effectively creating real terms cuts in our spending power. **Effectively the Council is having to provide the same service levels to more people with less cash.** This only works for so long.
200. The Council is seeing pressures on its income streams as well. Pressures on commercial rents with some of the council assets being harder to rent was covered by the budget task group. 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. This is evident with the recent news regarding Picture House which withdrew from the Cinema operation.
201. Planning Fee income is also reducing and if this is sustained then the resourcing in the service will need to be rebalanced.
202. Moving forward there is continued uncertainty around government funding, 2024/25 was the last year of a two year funding settlement and with a General Election due later in the year, it is unlikely that anything more than a further one year settlement will be delivered for 2025/26, the election will possible

also delay further funding reform and continue the cycle of medium term funding uncertainty. The council will monitor government consultations and input where we can lobby our case. Unfortunately, lower tier district councils do not represent a priority area for funding, therefore we can expect a challenging outlook for funding in the medium term.

203. New Homes Bonus funding continued for 2024/25, however the future of this funding remains uncertain, and this has been reflected in the MTFP.
204. Stodmarsh is a particular risk that is growing in importance to the Councils financial planning, the stall on planning applications affects the Councils ability to grow its tax base and therefore grow its revenues (Government funding assumes an average growth in taxbase). The stall on development will impact on the levels of planning fee income that are generated by the department that are necessary to cover the costs of the department. The stall in parts of the borough heighten the risk of legal challenges to planning decisions which are expensive to fight and finally the costs of producing a local plan are considerable and without a viable solution present challenges to getting a plan that would stand inspection.
205. The plan relies on the council growing its income base from other sources including:
 - a. increases in Council Tax at the maximum of £5 or 2.99% per annum whichever is higher. 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.
 - b. growing retention of business rates under the government's local retention scheme
 - c. new revenue from targeted housing and property investments
 - d. Inflationary increases in fees and charges

Adequacy of Reserves

206. Section Two covers the reserves position with a detailed forecast included in **Appendix C**.
207. 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.
208. For 2024/25 this amounts to a minimum unallocated reserve requirement of circa £3.265m which will be allocated to the reserve. In addition to the General Fund Reserve, the Council also has significant reserves focusing on Strategic Investment and Property Risk, the Maintenance of Assets, and the MTFP. These reserves were covered in the reserves section of this report.
209. Operational reserves after planned drawings are expected to be in the region of £20.1m as at 31 March 2024, a reduction of around £3.2m since 31 March 2023, this is largely due to the need to fund the 2023/24 deficit from reserves, £866,000, largely due to pressures in temporary accommodation and planning

income, support for Tenterden Leisure Centre of £700,000, and funding the 2023/24 budget deficit of £1.5m.

210. **Overall the advice is the council has adequate levels of reserves to support the budget deficit for 2024/25, and other requirements for the coming year and future liabilities. However this is not an appropriate long term strategy.**

Capital Resources

211. 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.
212. 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 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.
213. 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

214. This budget is developed with substantial external influences in flux, there was political leadership changes, inflation has remained high for longer than forecast, interest rates increasing from record lows with 14 consecutive rises. Considerable political uncertainty as a general election casts a shadow over policy making. 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 review, highlights that the approach to use reserves is appropriate as a short term measure while robust savings proposals are developed.
215. The Council has 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.
216. 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, members can be confident this budget is robust.
217. **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.
218. The Council's reserves remain reasonably healthy although known drawdowns weaken this position and limit the Councils ability to cushion

unexpected future shocks. 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 and future risks.

219. 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 climate will impact corporate resources.

Monitoring and Review

220. 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.
221. These processes were audited in December 2023 and received a Sound assurance rating.

Recommendations (Part Seven):

222. The Cabinet is asked to:
- XVIII. 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

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

Consultation Undertaken

224. A summary of the budget proposals were available for consultation from the end of December through to 9 February 2024. The consultation was promoted through the Council's online media platforms and posted on the council's website for general access.

225. Consultation with the public and the business community has taken place and the results will be reported to this meeting.

Other Options Considered

226. 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.

227. There are no other options than to deliver a balanced budget.

Reasons for Supporting Option Recommended

228. 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.

229. The draft budget has been approved by Cabinet and had a comprehensive scrutiny by the Overview and Scrutiny Budget Task Group.

Next Steps in Process

230. If supported the Budget for 2024/25 will be presented to Full Council for approval.

Portfolio Holder's Views

231. This is another challenging budget cycle with inflationary pressures outweighing funding received by the Council, and future uncertainty over government funding, notably the future risk of a business rates baseline reset meaning further savings need to be made

232. However, it is positive to see the budget deficit reduce between the draft and final budget which was largely due to savings that could be immediately delivered. There was additional income received from a better than expected settlement, although this was soon consumed by the need for further funding to support Homelessness, which is a statutory responsibility for the Council.

233. The delivery of £488,000 of savings already towards the target of £1.5m introduced in the MTFP report, highlights the commitment of members, and Officers to reduce the budget deficit and ensure the Council is financially stable during these challenging times within the sector. While I support the use of MTFP Risk reserves to fund the 2024/25 deficit, this is not a sustainable long term option.
234. Finally I would like to thank Officers, and Members of the MTFP Task Group who have developed the assumptions made within the draft budget, and the Overview and Scrutiny Budget Task Group for their robust challenge, and recommendations made to this committee, and incorporated into the budget where appropriate.

Contact and Email

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LIST OF APPENDICES

Part Two	A	Summary of Expenditure
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	C	Analysis of Reserves
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	N	Council Tax premiums to second homes
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REVENUE BUDGET				
SERVICE SUMMARY				
Actuals 2022/23 £	Budget 2023/24 £	Projected Outturn 2023/24 £	Service	Budget 2024/25 £
1,549,881	3,097,440	2,745,490	Finance and IT	2,640,180
388,604	660,810	590,280	HR, Customer Services, Comms and Digital	615,470
2,150,946	1,530,990	2,102,700	Housing	2,885,430
550,187	800,180	715,040	Wellbeing and Port	729,550
6,896,914	7,336,850	8,269,090	Environment, Property and Recreation	7,577,930
2,525,126	2,636,170	2,714,072	Planning and Development	2,723,730
1,492,266	833,600	882,830	Corporate Management Costs	631,340
660,382	776,190	742,090	Head of Economic Development	796,380
1,335,502	1,677,140	1,658,540	Head of Performance and Policy	1,523,970
243,246	413,560	422,570	Solicitor to The Council and Monitoring Officer	491,120
45,067	130	130	Head of Development	30
17,838,121	19,763,060	20,842,832	Service Expenditure	20,615,130
(2,998,304)	(734,500)	(269,580)	Capital Charges & Net Interest	638,040
144,777	0	0	Revenue Funding of Capital Expenditure	0
298,121	325,000	325,000	Levies	342,880
2,025,162	(649,720)	(1,571,255)	Contribution to/(from) Balances	164,370
17,307,877	18,703,840	19,326,997	ABC Budget Requirement	21,760,420
(384,178)	(614,500)	(614,500)	Income	
(5,375,346)	(7,502,000)	(7,502,000)	Government Grant	(1,358,000)
(1,885,977)	(1,662,000)	(1,662,000)	Retained Business Rates	(9,589,000)
(9,177,792)	(8,925,340)	(8,925,340)	New Homes Bonus	(1,447,000)
			Council Tax	(9,366,420)
484,584	0	623,157		0

General Fund Budget 2024/25				
Actuals 2022/23 £	Budget 2023/24 £	Projected Outturn 2023/24 £	Department	Budget 2024/25 £
			Assistant Director of Finance and IT	
(349,361)	46,860	(5,220)	Accountancy	20,450
803,006	942,560	927,160	Benefits Administration	895,590
21,459	410,220	405,220	Council Tax Collection	345,440
(91,420)	(250,000)	(250,000)	Housing Benefits Payments	(50,000)
(215,136)	28,840	28,840	Miscellaneous Expenditure	0
(201,177)	(69,110)	(68,970)	Nndr Collection	(67,140)
1,351,688	1,345,280	1,025,280	Non-Distributed Costs	1,036,280
117,573	97,980	85,710	Exchequer	98,970
10,114	(6,290)	(6,290)	Debtors/Debt Recovery	50
(21,892)	32,470	79,130	ict	109,230
21,945	20	20	Telephony	(30)
191,089	210,660	214,210	Investigation And Enforcement Support	226,980
(88,007)	307,950	310,400	Contracts & Procurement	24,360
1,549,881	3,097,440	2,745,490		2,640,180
			Assistant Director of HR, Customer Service and Communications	
(72,152)	10	(45,880)	Visitor & Call Centre	(3,310)
14,602	142,760	142,760	Human Resources	143,690
446,154	518,040	493,400	Communications & Marketing	475,090
388,604	660,810	590,280		615,470
			Assistant Director of Housing	
48,921	33,710	30,690	Gypsy Site - Chilmington	37,590
1,850,206	1,209,820	1,786,800	Housing Options	2,589,230
148,951	197,290	194,980	Private Sector Housing	181,360
108,839	90,170	90,230	Housing Strategy And Enabling	77,250
(5,971)	0	0	Refugee Project	0
2,150,946	1,530,990	2,102,700		2,885,430
			Wellbeing and Port Services	
(123,042)	0	(95,000)	Ashford Port Health	(95,000)
25	(10)	(10)	Insurance	30
642,015	688,870	688,680	Environmental Health	666,760
31,189	111,320	121,370	Licencing	157,760
550,187	800,180	715,040		729,550

General Fund Budget 2024/25				
Actuals 2022/23 £	Budget 2023/24 £	Projected Outturn 2023/24 £	Department	Budget 2024/25 £
			Assistant Director of Environment, Property and Recreation	
265,749	73,740	128,410	Facilities Management	(215,680)
356,473	28,660	294,100	Property Building Services	181,310
167,481	187,180	116,760	Commercial Projects	69,650
74,842	95,170	44,310	Street Scene	23,650
3,647,245	5,109,090	5,085,390	Refuse,Recycling,Street Clean	5,076,170
2,002,211	2,048,030	1,960,360	Grounds Maintenance	2,034,510
(2,096,631)	(2,071,710)	(2,032,450)	Estates	(1,373,420)
(387,329)	(372,180)	(350,210)	Parking & Engineering	(688,430)
761,820	951,940	960,600	Community Safety,Amc	840,230
2,105,053	1,286,930	2,061,820	Recreation	1,629,940
6,896,914	7,336,850	8,269,090		7,577,930
			Assistant Director of Planning and Development	
90,287	143,080	100,110	Building Control	166,870
1,482,134	1,280,760	1,514,720	Development Manager	1,241,110
(13,416)	0	0	Land Charges	0
(7,196)	(16,700)	(89,290)	Planning Administration	(16,570)
973,317	1,229,030	1,188,532	Strategic Planning	1,332,320
2,525,126	2,636,170	2,714,072		2,723,730
			Corporate Management Costs	
70	(30)	(30)	Audit Partnership	(30)
1,406,136	833,630	882,860	Strategic Corporate Costs	631,370
86,060	0	0	Office Of The Leader	0
1,492,266	833,600	882,830		631,340
			Head of Economic Development	
160,920	176,010	176,010	Tourism & Heritage	191,810
0	0	5,000	Cultural Projects	30,000
499,463	600,180	561,080	Economic Development	574,570
660,382	776,190	742,090		796,380
			Head of Performance and Policy	
(107,280)	108,570	109,760	Climate Change	83,080
350,547	345,610	345,610	Single Grants Gateway	265,250
820,306	914,240	888,180	Democratic Representation	868,010
71,097	61,970	68,240	Mayor	66,270
200,832	246,750	246,750	Policy And Performance	241,360
1,335,502	1,677,140	1,658,540		1,523,970
			Solicitor To The Council And Monitoring Officer	
351,809	457,630	466,640	Electoral Services	491,120
(108,564)	(44,070)	(44,070)	Legal	0
243,246	413,560	422,570		491,120
			Head of Development	
45,067	130	130	Project Delivery Team	30
45,067	130	130		30

Analysis of Estimated Reserves

<u>Earmarked general fund reserves</u>	Forecast at	2024/25 Transfer To		Forecast at	2025/26 Transfer To		Forecast at
	31 March	and From Reserve		31 March	and From Reserve		31 March
	2024	Transfers	Transfers	2025	Transfers	Transfers	2026
	£'000	In	Out	£'000	In	Out	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General fund Minimum Level	(3,265)	0	0	(3,265)	0	0	(3,265)
Operational reserves							
MTFP Risk	(8,081)	0	435	(7,646)	0	300	(7,346)
Collection Fund Risk	(1,000)	0	0	(1,000)	0	0	(1,000)
Strategic Investment and Property Risk	(2,000)	0	0	(2,001)	0	0	(2,001)
Climate Change Delivery Fund	(805)	0	0	(805)	0	800	(5)
Provide for Maintenance of Assets	(5,000)	0	0	(5,000)	0	0	(5,000)
Useable for operational purposes	(16,886)	0	435	(16,451)	0	1,100	(15,351)
General and Operational Reserve Total	(20,151)	0	435	(19,716)	0	1,100	(18,616)

DISCRETIONARY & STATUTORY FEES 2024/25						
Charge for the Port Health Services Border Control Post Sevington						
Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Common Health Entry Document (CHED-P) -Products of Animal Origin	All Products					
	Up to 6 tonnes	NB	54.00	63.00	66.00	4.76%
	7-45 tonnes (cost per tonnes)	NB	9.00	10.00	11.00	10.00%
	46 tonnes and over	NB	410.00	476.00	500.00	5.04%
	All Products from New Zealand					
	Up to 6 tonnes	NB	47.00	55.00	58.00	5.45%
	7-45 tonnes (cost per tonnes)	NB	8.00	9.00	9.00	0.00%
	46 tonnes and over	NB	358.00	415.00	436.00	5.06%
	Bulk fishery products and feed of animal origin or by-products					
	Up to 500 tonnes	NB	585.00	679.00	713.00	5.01%
	Up to 1,000 tonnes	NB	1,171.00	1,358.00	1,426.00	5.01%
	Up to 2,000 tonnes	NB	2,342.00	2,717.00	2,853.00	5.01%
	More than 2,000 tonnes	NB	3,513.00	4,075.00	4,279.00	5.01%
	Intensified Official Controls, Enhanced Checks (i.e Brazil meat) and Protective Measures					
	Risk category II products (30%)	NB	63.00	73.00	77.00	5.48%
	Risk category III products (15%)	NB	76.00	88.00	92.00	4.55%
	Risk category IV products (5%)	NB	85.00	99.00	104.00	5.05%
	Risk category V products (1%)	NB	89.00	103.00	108.00	4.85%
	If sampled					
	Admin Fee	NB	90.00	104.00	109.00	4.81%
	Lab Fee - Assigned by Lab	NB	AT COST	AT COST	AT COST	
	Transits through the community					
	Minimum Fee	NB	90.00	104.00	109.00	4.81%
	Per additional quarter hour	NB	22.00	26.00	27.00	3.85%
	Admin for CHED's not presented on IPAFF's					
	Per CHED entered	NB	11.00	13.00	14.00	7.69%
	Photocopy document	NB	1.00	1.00	1.00	0.00%
	Late notification fee					
	Per CHED not submitted before the arrival of the cargo	NB	89.00	103.00	108.00	4.85%
	Non compliance charge					
	Per rejected consignment	NB	131.00	152.00	160.00	5.26%

DISCRETIONARY & STATUTORY FEES 2024/25						
Charge for the Port Health Services Border Control Post Sevington						
Item	Description/Comments	VAT Indicator	Charge 2022/23	Charge 2023/24	Charge 2024/25	Increase / Decrease on 2023/24
			£	£	£	%
Common Health Entry Document (CHED-D) - High Risk Non Animal Origin	Documentary check	NB	57.00	66.00	69.00	4.55%
	Sampling less than 10 sub-samples	NB	88.00	102.00	107.00	4.90%
	Sampling 10-59 sub-samples	NB	110.00	128.00	134.00	4.69%
	Sampling 60 or more sub-samples	NB	155.00	180.00	189.00	5.00%
	Non - compliance charge	NB	131.00	152.00	160.00	5.26%
	supervisory fee for disposals	NB	179.00	208.00	218.00	4.81%
	Late notification fee	NB	89.00	103.00	108.00	4.85%
	Analysts fee - assigned by Lab	NB	AT COST	AT COST	AT COST	
Radiation - Japanese Control Measures	Products of Animal Origin	NB	214.00	248.00	260.00	4.84%
	Non animal origin	NB	57.00	66.00	69.00	4.55%
	Sampled non-animal origin					
	Identity and sampling	NB	88.00	102.00	107.00	4.90%
	Analysis - assigned by Lab	NB	AT	AT COST	AT COST	
	Non compliance	NB	131.00	152.00	160.00	5.26%
	Supervisory Fee for Disposal	NB	179.00	208.00	218.00	4.81%
	Late notification fee	NB	89.00	103.00	108.00	4.85%
Guar Gum from India	Documentary check (CHED)	NB	57.00	66.00	69.00	4.55%
	Sampling analysis	NB	88.00	102.00	107.00	4.90%
	Analytical cost - Assigned by lab	NB	AT	AT COST	AT COST	
	Non-compliance	NB	131.00	152.00	160.00	5.26%
	Supervisory fee for disposal	NB	179.00	208.00	218.00	4.81%
	Late notification fee	NB	89.00	103.00	108.00	4.85%
Plastic Kitchenware - China and Hong Kong control measures	1-5 Certificates	NB	46.00	53.00	56.00	5.66%
	6-10 Certificates	NB	66.00	77.00	81.00	5.19%
	11-20 Certificates	NB	92.00	107.00	112.00	4.67%
	21+ Certificates	NB	117.00	136.00	143.00	5.15%
	Identy, Physical Check and Sampling	NB	71.00	82.00	86.00	4.88%
	Analytical cost - Assigned by Lab	NB	AT	AT COST	AT COST	
	Confirmatory test for nylon - Assigned by Lab	NB	AT	AT COST	AT COST	
	Non - compliance	NB	131.00	152.00	160.00	5.26%
	Late notification fee	NB	89.00	103.00	108.00	4.85%

DISCRETIONARY & STATUTORY FEES 2024/25						
Charge for the Port Health Services Border Control Post Sevington						
Item	Description/Comments	VAT Indicator	Charge 2022/23	Charge 2023/24	Charge 2024/25	Increase / Decrease on 2023/24
			£	£	£	%
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	46.00	53.00	56.00	5.66%
	High Risk 6-10	NB	70.00	81.00	85.00	4.94%
	High Risk 11-20	NB	81.00	94.00	99.00	5.32%
	High Risk 21+	NB	93.00	108.00	113.00	4.63%
	Low Risk 1-5	NB	23.00	27.00	28.00	3.70%
	Low Risk 6-10	NB	41.00	48.00	50.00	4.17%
	Low Risk 11-20	NB	52.00	60.00	63.00	5.00%
	Low Risk 21+	NB	64.00	74.00	78.00	5.41%
	Formal Verification/Movement Control Notice	NB	90.00	104.00	109.00	4.81%
	Per quarter hour	NB	22.00	26.00	27.00	3.85%
	Non-compliance	NB	131.00	152.00	160.00	5.26%
	Late notification fee	NB	89.00	103.00	108.00	4.85%
	Organic Import Controls	Current national flat rate	NB	57.00	66.00	69.00
Late notification fee		NB	89.00	103.00	108.00	4.85%
Movement control		NB	131.00	152.00	160.00	5.26%
Non compliance charge		NB	131.00	152.00	160.00	5.26%
Genetically Modified (GN) Controls in rice and Rice Products from China Documentary Check	Documentary Check	NB	57.00	66.00	69.00	4.55%
	Identity checks, physical check and sampling	NB	57.00	66.00	69.00	4.55%
	Analyst Fee	NB	88.00	102.00	107.00	4.90%
	Full sample (raw material) - Assigned by lab			At Cost	At Cost	
	Reduced sample (processed product) - Assigned by lab Non-compliance	NB	131.00	152.00	160.00	5.26%
	Non-compliance			At Cost	At Cost	
	Supervisory fee for disposal	NB	179.00	208.00	218.00	4.81%
Export Health Certificates	Export Health Certificate £140 for preparation and first hour. Subsequent hours charged at Officer Rate	NB	100.00	116.00	140.00	20.69%
	Animal Feed Import, £54 document checking, £188 officer time sampling and Lab sampling recharged at cost	NB	154.00	179.00	188.00	5.03%
	APHA Certificate recharged at cost	NB	AT COST	AT COST	AT COST	

DISCRETIONARY & STATUTORY FEES 2024/25						
Charge for the Port Health Services Border Control Post Sevington						
Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Other Charges	Disposal collection fee:					
	Up to 0.9 tonnes in 3.5T Lorry	NB	243.00	282.00	296.00	4.96%
	Lorry Up to 1.5 tonnes in 7.5T Lorry	NB	243.00	282.00	296.00	4.96%
	Lorry Up to 10 tonnes in 18T	NB	296.00	343.00	360.00	4.96%
	Lorry Up to 20 tonnes in artic	NB	398.00	462.00	485.00	4.98%
	Refund of PHILIS deposit	NB	29.00	34.00	36.00	5.88%
	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	90.00	104.00	109.00	4.81%
	Certificate of destruction	NB	27.00	31.00	33.00	6.45%
	Non compliance charge for all products without an official import declaration	NB	131.00	152.00	160.00	5.26%

DISCRETIONARY & STATUTORY FEES 2024/25

Property Services

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	300.00	348.0	365.40	5.00%
Land sales - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer. Intial 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	400.80	464.40	487.20	4.91%
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	240.00	278.40	292.32	5.00%
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	360.00	417.60	438.48	5.00%
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	217.00	252.00	265.00	5.16%
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	554.40	643.20	675.60	5.04%
AutoCAD plan production fee	Production of drawings for the purpose of ABC legal agreements	VT	138.00	159.60	168.00	5.26%
Wayleaves - inspection/administration		VT	300.00	348.00	366.00	5.17%

DISCRETIONARY & STATUTORY FEES 2024/25

Property Services

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Commerical Transactions / Dealings						
Minimum Charges shown that will be applicable subject to time / complexity. Dependant on the type of lease and property, VAT may apply to these rates	New letting/lease agreements	VT/EX		£250 +	£250 +	
	Consent to assign, sublet, underlet	VT/EX		£250 +	£250 +	
	Consent for alteration	VT/EX		£250 +	£250 +	
	Retrospective Consent for alteration	VT/EX		£400 +	£400 +	
	Licences and Tenancies at Will	VT/EX		£250 +	£250 +	
	Easements and surrenders	VT/EX		£250 +	£250 +	
	Acquisition and disposal	VT/EX		£250 +	£250 +	
	Charity, non-profit organisations upon evidence of accounts	VT/EX		£0 - £50	£0 - £50	
Garage and Parking Space Fees and Charges						
Garage and Parking Space Fees and Charges	Council Tenant per week	EX	11.50	13.00	13.65	5.00%
	Non- Council Tenant (inclusive of VAT) per week	VT	13.80	15.60	16.40	5.13%
	Charge for lock changes following loss of keys etc.	VT		180.00	180.00	0.00%
	Deposit for all new Garage Tenancies (new charge)	EX	One months rent	One months rent	One months rent	
	Parking Spaces (on garage sites only) per year in advance	VT	264.00	306.00	321.60	5.10%
<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>						

DISCRETIONARY & STATUTORY FEES 2024/25

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Waste Collection						
Bulky Collection - General approved items	Base Charge (1 to four items excluding white goods)	NB	27.00	35.00	39.00	11.43%
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	26.00	4.00%
Garden Waste Bins	Wheelie Bin for Garden Waste - Previously agreed by Cabinet	NB	42.50	45.00	60.00	33.33%
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	95.00	99.00	4.21%
Recycle bin (New development)	Green (240L)	NB	42.00	49.00	51.00	4.08%
Refuse bin (New development)	Black (180L)	NB	42.00	49.00	51.00	4.08%
Food caddy (New development)	Orange & black (23L)	NB	10.00	14.00	14.70	5.00%
Kitchen food caddy (New development)	Silver (5L)	NB	8.00	10.00	10.50	5.00%
Food bin	Black with food signage wrap (180L)	NB	37.00	45.00	47.25	5.00%
Replacement resident refuse bin	Black (180L)	NB	25.00	30.00	31.50	5.00%
Replacement resident recycle bin	Green (240L)	NB	25.00	30.00	31.50	5.00%
Bulk refuse bin (New or replacement) <i>(Includes signage on bins)</i>	1100L steel/black lid	NB	366.00	380.00	395.00	3.95%
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	318.00	365.00	380.00	4.11%
Bulk recycle bin (New or replacement) <i>(Includes signage on bins)</i>	1100L full green	NB	392.00	395.00	395.00	0.00%
Bulk recycle bin (New or replacement) <i>(Includes signage on bins)</i>	1100L full green (each additional bulk recycle bin in same delivery)	NB	350.00	380.00	380.00	0.00%
Bin store/compound recycle information sign (A2)	Colour signage on diabond board per sign - Bin use improvement	NB	40.00	50.00	60.00	20.00%

DISCRETIONARY & STATUTORY FEES 2024/25						
Other Charges						
Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Waste Collection						
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	50.00	70.00	73.00	4.29%
Kennelling cost Initial Charge (handover fee + first 24 hours)	First Night Fee	NB			95.00	
Kennelling costs	Per 24 hour period, day one due on admission	NB	12.00	15.00	20.00	33.33%
Administration charge	Office Hours	NB	18.00	20.88	22.00	5.36%
	Outside Office Hours	NB	36.00	41.76	44.00	5.36%
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%
Allotment Rents						
Plot rent (per perch)		EX	7.50	10.00	10.50	5.00%

DISCRETIONARY & STATUTORY FEES 2024/25

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Memorial Benches						
Hereford Seat or similar style cemetery (Non VAT)	15 year lease plus supply and Installation of bench	NB	804.16	932.83	979.47	5.00%
Hereford Seat or similar style Open Space (VAT appliacble)	15 year lease plus supply and Installation of bench	VT	964.99	1,119.40	1,175.36	5.00%
Georgian Seat or similar style Cemetery (Non VAT)	15 year lease plus supply and Installation of bench	NB	1,047.11	1,214.65	1,275.38	5.00%
Georgian Seat or similar style Open Space (VAT Applicable)	15 year lease plus supply and Installation of bench	VT	1,256.53	1,457.58	1,530.46	5.00%
Cavendish Seat or similar style, Cemetery (Non Vat)	15 year lease plus supply and Installation of bench	NB	952.69	1,105.12	1,160.38	5.00%
Cavendish Seat or similar style, Open Space (Vat applicable)	15 year lease plus supply and Installation of bench	VT	1,143.23	1,326.14	1,392.46	5.00%
Montseny 1800 bench in Victoria Park	10 year lease plus supply and Installation of plaque	VT		1,500.00	1,500.00	0.00%
Recasting of memorial plaque on a cemetery bench (Non Vat)	Changing the inscription for example, adding an additional name	NB	265.23	307.66	323.04	5.00%
Recasting of memorial plaque on a open spece bench (Vat applicable)	Changing the inscription for example, adding an additional name	VT	318.27	369.19	387.65	5.00%
Extending the lease of a bench in a cemetery location (Non Vat)	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	318.27	369.19	387.65	5.00%
Extending the lease of a bench in an open space (VAT applicable)	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)	VT	381.92	443.03	465.18	5.00%
Tree Planting						
Dedicate a tree in an open space	Lower end of price scale	VT	245.84	285.18	299.44	5.00%
	Higher end of price scale	VT	302.58	350.99	368.53	5.00%
Sponsor a tree in a open space		VT	123.55	143.32	150.48	5.00%
Plant a woodland tree in an open space woodland		VT	31.51	36.55	38.38	4.99%
Victoria Park Community Room						
Monday to Friday - Half day hire (am or pm session)	Morning or afternoon session hire	VT			42.00	
Monday to Friday Evening hire	Evening only	VT			42.00	
Monday to Friday, Daytime hire	Day hire (excluding evening)	VT			72.00	
Monday to Friday, All day Hire inc. evening	Day hire including evening	VT			100.00	
Saturday and Sunday half day hire (am or pm session)	Morning or afternoon session hire	VT			48.00	
Saturday and Sunday, Evening Hire	Evening only	VT			48.00	
Saturday or Sunday Daytime hire	Day hire (excluding evening)	VT			84.00	
Saturday or Sunday All day hire	Day hire including evening	VT			115.00	

DISCRETIONARY & STATUTORY FEES 2024/245

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	1,275.00	1,479.00	1,550.00	4.80%
	Single grave depth with boarding (excludes Tenterden cemetery and woodland graves)	NB	1,510.00	1,752.00	1,840.00	5.02%
	Double grave depth (excludes Tenterden)	NB	1,400.00	1,624.00	1,705.00	4.99%
	Triple grave depth (excludes Tenterden)	NB	1,625.00	1,885.00	1,979.00	4.99%
	ADULT (Non-resident):					
	Single grave depth	NB	5,100.00	5,916.00	6,212.00	5.00%
	Single grave depth with boarding (excludes Tenterden cemetery and woodland graves)	NB	6,040.00	7,008.00	7,358.00	4.99%
	Double grave depth (excludes Tenterden)	NB	5,600.00	6,496.00	6,821.00	5.00%
	Triple grave depth (excludes Tenterden)	NB	6,500.00	7,540.00	7,917.00	5.00%
	CHILD (Non-resident):					
	Single grave depth: under 3 months	NB	87.00	99.00	104.00	5.05%
	Single grave depth: 3 - 5 years	NB	87.00	99.00	104.00	5.05%
Single grave depth: 6 - 18 years	NB	283.00	328.00	344.00	4.88%	
(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	2,485.00	2,883.00	3,027.00	4.99%
	Single grave depth with boarding (excludes Tenterden)	NB	2,955.00	3,428.00	3,599.00	4.99%
	Double grave depth (excludes Tenterden)	NB	2,735.00	3,173.00	3,332.00	5.01%
	Triple grave depth (excludes Tenterden)	NB	3,185.00	3,695.00	3,880.00	5.01%
	ADULT (Non-resident):					
	Single grave depth	NB	9,940.00	11,532.00	12,109.00	5.00%
	Single grave depth with boarding (excludes Tenterden)	NB	11,820.00	13,712.00	14,398.00	5.00%
	Double grave depth (excludes Tenterden)	NB	10,940.00	12,692.00	13,327.00	5.00%
	Triple grave depth (excludes Tenterden)	NB	12,740.00	14,780.00	15,519.00	5.00%

DISCRETIONARY & STATUTORY FEES 2024/245

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %	
Interments							
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	657.00	762.00	800.00	4.99%	
	Single grave depth with boarding (excludes Tenterden)	NB	892.00	1,035.00	1,087.00	5.02%	
	Double grave depth (excludes Tenterden)	NB	782.00	907.00	952.00	4.96%	
	Triple grave depth (excludes Tenterden)	NB	1,007.00	1,168.00	1,226.00	4.97%	
	ADULT (Non Resident):						
	Single grave depth	NB	2,628.00	1,524.00	1,600.00	4.99%	
	Single grave depth with boarding (excludes Tenterden)	NB	3,568.00	2,070.00	2,174.00	5.02%	
	Double grave depth (excludes Tenterden)	NB	3,128.00	1,814.00	1,905.00	5.02%	
	Triple grave depth (excludes Tenterden)	NB	4,028.00	2,336.00	2,453.00	5.01%	
	Under 5 years	NB	87.00	101.00	106.00	4.95%	
	6 - 18 years	NB	283.00	328.00	344.00	4.88%	
	(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	1,310.00	1,520.00	1,596.00	5.00%
Single grave depth with boarding (excludes Tenterden)		NB	1,780.00	2,065.00	2,168.00	4.99%	
Double grave depth (excludes Tenterden)		NB	1,560.00	1,810.00	1,901.00	5.03%	
Triple grave depth (excludes Tenterden)		NB	2,010.00	2,332.00	2,449.00	5.02%	
ADULT (Non-resident):							
Single grave depth		NB	5,240.00	3,040.00	3,192.00	5.00%	
Single grave depth with boarding (excludes Tenterden)		NB	7,120.00	4,130.00	4,337.00	5.01%	
Double grave depth (excludes Tenterden)		NB	6,240.00	3,620.00	3,801.00	5.00%	
Triple grave depth (excludes Tenterden)		NB	8,040.00	4,664.00	4,897.00	5.00%	

DISCRETIONARY & STATUTORY FEES 2024/245

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Interments						
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	515.00	515.00	541.00	5.05%
	Small plot (capacity for up to 2 interment of ashes)	NB	375.00	375.00	394.00	5.07%
	(Non Resident):					
	Large plot (capacity for upto 4 interment of ashes)	NB	2,060.00	2,060.00	2,163.00	5.00%
	Small plot (capacity for upto 2 interment of ashes)	NB	1,500.00	1,500.00	1,575.00	5.00%
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	143.00	143.00	150.00	4.90%
	(Non Resident):					
	For one set of ashes. Further sets of ashes at same time will be charge as per item (7)	NB	572.00	572.00	601.00	5.07%
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	72.00	72.00	76.00	5.56%
	(Non Resident):					
	Per set of ashes	NB	288.00	288.00	302.00	4.86%

DISCRETIONARY & STATUTORY FEES 2024/245

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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 cemtery are permitted kerbstones, these sections are detailed in the rules and regulations	Adult (Resident)					
	Headstone or tablet including inscriptions	NB	205.00	205.00	215.00	4.88%
	Kerbstone including cover slab and inscriptions	NB	205.00	205.00	215.00	4.88%
	Placement of standalone vase including inscriptions	NB	87.00	87.00	91.00	4.60%
	Replacement/renovation/reinstatement of memorial	NB		50.00	53.00	6.00%
	Adult (Non Resident):					
	Headstone or tablet including inscriptions	NB	820.00	820.00	861.00	5.00%
	Kerbstone including cover slab and inscriptions	NB	820.00	820.00	861.00	5.00%
	Placement of a vase including inscriptions	NB	348.00	348.00	365.00	4.89%
	Replacement/renovation/reinstatement of memorial	NB		50.00	53.00	6.00%
	Child - up to 18 years (Non Resident):					
	Headstone or tablet including inscriptions	NB	205.00	205.00	215.00	4.88%
	Kerbstone including cover slab and inscriptions	NB	205.00	205.00	215.00	4.88%
Placement of a standalone vase including inscriptions	NB	87.00	87.00	91.00	4.60%	
Replacement/renovation/reinstatement of memorial	NB		50.00	53.00	6.00%	
Inscription Application						
(9) Application for additional inscription on existing memorial.	(Resident):					
	New inscription on an existing memorial	VT	104.40	104.40	109.20	4.60%
(9) Application for additional inscription on existing memorial.	(Non Resident):					
	New inscription on an existing memorial	VT	417.60	417.60	438.00	4.89%

DISCRETIONARY & STATUTORY FEES 2024/245

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	556.00	556.00	584.00	5.04%
	Large cremation plot	NB	310.00	310.00	326.00	5.16%
	Small cremation plot	NB	170.00	170.00	179.00	5.29%
	(Non Resident)					
	One grave space	NB	2,224.00	2,224.00	2,335.00	4.99%
	Large cremation plot	NB	1,240.00	1,240.00	1,302.00	5.00%
Small cremation plot	NB	680.00	680.00	714.00	5.00%	
(11) Extension of a right of burial for period of 5 years	(Resident)					
	One grave space	EX	92.50	92.50	97.00	4.86%
	Large cremation plot	EX	51.50	51.50	54.00	4.85%
	Small cremation plot	EX	28.50	28.50	30.00	5.26%
	(Non Resident)					
	One grave space	EX	370.00	370.00	389.00	5.14%
	Large cremation plot	EX	206.00	206.00	216.00	4.85%
Small cremation plot	EX	114.00	114.00	120.00	5.26%	
(12) Transfer of a right of burial	(Resident)					
	Per transfer completed	EX	92.00	92.00	97.00	5.43%
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	

DISCRETIONARY & STATUTORY FEES 2024/245

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Other Cemetery Charges						
(16) Selection of grave space by customer instead of using next available space		EX	108.00	108.00	113.00	4.63%
(17) Incorrect arrival time in excess of 30 mins at cemetery		NB	108.00	108.00	113.00	4.63%
(18) Family history search for genealogy purposes	Up to 1 names in single application	VT	36.00	36.00	38.40	6.67%
	2 - 5 names in same application (per name)	VT	6.00	6.00	6.00	0.00%
	6 to 9 names in same application (per name)	VT	3.00	3.00	3.60	20.00%
(19) Temporary Marker with plaque for reopened graves or new graves that were repurchased - Excludes woodland graves	Wooden cross	VT	74.40	74.40	78.00	4.84%
	Wooden plaque holder	VT	61.80	61.80	64.80	4.85%
(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	55.50	55.50	58.80	5.95%
(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	123.60	123.60	129.60	4.85%
(23) Cancellation of service	Fee chargeable if grave has been dug and date is rescheduled or interment has repeat rescheduling	NB	108.00	108.00	113.00	4.63%
(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	111.00	111.00	117.00	5.41%
	Large cremation plot	NB	62.00	62.00	65.00	4.84%
	Small cremation plot	NB	34.00	34.00	36.00	5.88%
	(Non Resident)					
	One grave space	NB	444.00	444.00	466.00	4.95%
	Large cremation plot	NB	248.00	248.00	260.00	4.84%
Small cremation plot	NB	136.00	136.00	143.00	5.15%	

DISCRETIONARY & STATUTORY FEES 2024/25

LEGAL & ELECTORAL SERVICES

Legal Fees

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
S9 Agreements	(including caution/note on Register) ** This is a minimum level of charge (see note below)	NB	340.00	394.00	414.00	5.08%
S9 Transfers	Plus Land Registry Fees. ** This is a minimum level of charge (see note below)	NB	340.00	394.00	414.00	5.08%
S106 (and supplementary) deeds	** This is a minimum level of charge (see note below)	NB	990.00	1,148.00	1,205.00	4.97%
S106 deeds of modification/discharge etc.	** This is a minimum level of charge (see note below)	NB	990.00	1,148.00	1,205.00	4.97%
Grazing Licences	** This is a minimum level of charge (see note below)	NB	125.00	145.00	152.00	4.83%
Licences to Assign	** This is a minimum level of charge (see note below)	NB	227.00	263.00	276.00	4.94%
Sales or Easements	Up to £2,500 in value. ** This is a minimum level of charge (see note below)	NB	324.00	376.00	395.00	5.05%
Sales or Easements	over £2,500 in value - Basic Fee Charge as listed plus 1% of the consideration. ** This is a minimum level of charge (see note below)	NB	365.00	423.00	444.00	4.96%
Commercial Leases	** This is a minimum level of charge (see note below)	NB	353.00	409.00	429.00	4.89%
Commercial lease renewals	** This is a minimum level of charge (see note below)	NB	239.00	277.00	291.00	5.05%
Surrenders	** This is a minimum level of charge (see note below)	NB	216.00	251.00	264.00	5.18%
Landlord consent etc	** This is a minimum level of charge (see note below)	NB	114.00	132.00	139.00	5.30%
Transfer of Equity (mortgage)	** This is a minimum level of charge (see note below)	NB	240.00	278.00	292.00	5.04%
Redemptions	** This is a minimum level of charge (see note below)	NB	125.00	145.00	152.00	4.83%
Mortgagees Enquiries	** This is a minimum level of charge (see note below)	NB	226.00	262.00	275.00	4.96%
Deed of Postponement	** This is a minimum level of charge (see note below)	NB	103.00	119.00	125.00	5.04%
Release of expired Statutory Charge	** This is a minimum level of charge (see note below)	NB	110.00	128.00	134.00	4.69%
Waiver (Improvement Grant)	** This is a minimum level of charge (see note below)	NB	110.00	128.00	134.00	4.69%
Notice of Charge	** This is a minimum level of charge (see note below)	NB	79.00	92.00	97.00	5.43%
Counterpart Lease	** This is a minimum level of charge (see note below)	NB	79.00	92.00	97.00	5.43%
Engross Transfer/conveyance	** This is a minimum level of charge (see note below)	NB	58.00	67.00	70.00	4.48%
Notice to Assign	** This is a minimum level of charge (see note below)	NB	79.00	92.00	97.00	5.43%
Wayleaves	** This is a minimum level of charge (see note below)	NB	199.00	231.00	243.00	5.19%

**** IMPORTANT NOTE:** • IMPORTANT NOTE: The above represent a minimum level of charge, not a fixed level of charge which will be charged unless it is deemed by The Solicitor to the Council (or, in his absence, a Principal Solicitor) to be inappropriate or unreasonable to charge in the circumstances.

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.

DISCRETIONARY & STATUTORY FEES 2024/25						
LEGAL & ELECTORAL SERVICES						
Legal Fees						
Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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				

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	144.00	20.00%
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%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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%
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%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Animal Welfare and Public Health Licences							
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%
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%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Animal Welfare and Public Health Licences							
Variation to increase animals or activities	Discretionary	Application fee	NB	90.00	90.00	90.00	0.00%
	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%
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	150.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	70.00	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.50	30.50	30.50	0.00%
Tattooing (including semi-permanent skin-colouring)	Discretionary	Initial registration practitioner/premises	NB	150.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	70.00	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	150.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	70.00	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	150.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	70.00	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	150.00	150.00	150.00	0.00%
	Discretionary	Additional practitioner/premises	NB	70.00	70.00	70.00	0.00%
	Discretionary	Minor variation	NB	30.50	30.50	30.50	0.00%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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 2024: 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	35.00	0.00%
	Discretionary	Downstairs - full space - half day	NB		17.50	17.50	0.00%
	Discretionary	Consultation room/space small - full day	NB		10.00	10.00	0.00%
	Discretionary	Consultation room/space small - half day	NB		5.00	5.00	0.00%
	Discretionary	Consultation room/space large - full day	NB		15.00	15.00	0.00%
	Discretionary	Consultation room/space large - half day	NB		7.50	7.50	0.00%
	Discretionary	Downstairs kitchen - full day	NB		20.00	20.00	0.00%
	Discretionary	Downstairs kitchen - half day	NB		10.00	10.00	0.00%
	Discretionary	Upstairs (full space) - full day	NB		35.00	35.00	0.00%
	Discretionary	Upstairs (full space) - half day	NB		17.50	17.50	0.00%
	Discretionary	Upstairs (activity space) - full day	NB		20.00	20.00	0.00%
	Discretionary	Upstairs (activity space) - half day	NB		10.00	10.00	0.00%
	Discretionary	Upstairs (meeting space) - full day	NB		17.50	17.50	0.00%
	Discretionary	Upstairs (meeting space) - half day	NB		8.75	8.75	0.00%
	Discretionary	Entire facility (Mondays, weekday evenings, Saturday afternoon and Sundays only) - full day	NB		70.00	70.00	0.00%
	Discretionary	Entire facility (Mondays, weekday evenings, Saturday afternoon and Sundays only) - part day	NB		35.00	35.00	0.00%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	387.00	406.00	4.91%
	Discretionary	Transfer	NB	334.00	387.00	406.00	4.91%
Street Trading and Consents							
Street Trading Licence	Discretionary	Yearly	NB	83.00	96.00	100.00	4.17%
Ashford Town Market pitch fee (per ft)	Discretionary	Collected by DD	NB	1.10	1.30	1.30	0.00%
Casual Street Trading Licence/Consent For One Off Event (per stall)	Discretionary	Grant	NB	21.50	25.00	25.00	0.00%
Street Trading Consent	Discretionary	Yearly	NB	83.00	96.00	100.00	4.17%
New Site Street Trading Consent - static	Discretionary	Grant	NB	116.00	135.00	140.00	3.70%
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	£135 per site plus £35 per additional site	£140 per site plus £37 per additional site	
Hawker Street Trading Consent	Discretionary	Yearly	NB	83.00	96.00	100.00	4.17%
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	181.00	190.05	5.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses (and charity collections by professional canvassing companies) 1-7 day block (flat fee)	NB	40.00	47.00	49.35	5.00%
Town Centre Commercial Booking	Discretionary	1 day (Saturday)	NB	205.00	238.00	249.90	5.00%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Street Trading Consent Rents							
Furners Wood Lay-by - cherry stall	Discretionary	Monthly rents	NB	168.00	195.00	204.50	4.87%
Furners Wood Lay-by - hot food	Discretionary	Monthly rents	NB	251.00	291.00	305.50	4.98%
Great Chart - A28 Tenterden bound - Food	Discretionary	Monthly rents	NB	251.00	291.00	305.50	4.98%
Great Chart - A28 Tenterden bound - Non Food	Discretionary	Monthly rents	NB	168.00	295.00	309.50	4.92%
Great Chart - A28 Ashford bound - Food	Discretionary	Monthly rents	NB	251.00	291.00	305.50	4.98%
Great Chart - A28 Ashford bound Non Food	Discretionary	Monthly rents	NB	168.00	195.00	204.50	4.87%
Hothfield - A20 Maidstone bound - Non Food	Discretionary	Monthly rents	NB	168.00	195.00	204.50	4.87%
Hothfield - A20 Maidstone bound - Food	Discretionary	Monthly rents	NB	251.00	291.00	305.55	5.00%
Hothfield - A20 Ashford bound - Non Food	Discretionary	Monthly rents	NB	168.00	195.00	204.50	4.87%
Hothfield - A20 Ashford bound - Food	Discretionary	Monthly rents	NB	251.00	291.00	305.50	4.98%
Henwood	Discretionary	Monthly rents	NB	231.00	270.00	283.50	5.00%
Recreation Ground Road car park	Discretionary	Monthly rents	NB	420.00	420.00	441.00	5.00%
Potters Corner, Hothfield	Discretionary	Monthly rents	NB	251.00	291.00	305.50	4.98%
Hall Avenue, Sevington	Discretionary	Max 28 days use per year	NB	269.00	312.00	327.00	4.81%
Chilham Mill	Discretionary		NB	251.00	291.00	305.00	4.81%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	358.00	358.00	0.00%
	Discretionary	per non-operating day	NB	200.00	252.00	252.00	0.00%
Commercial: Medium	Discretionary	per operating day	NB	600.00	716.00	716.00	0.00%
	Discretionary	per non-operating day	NB	200.00	252.00	252.00	0.00%
Commercial: Large	Discretionary	per operating day	NB	1,200.00	1,412.00	1,412.00	0.00%
	Discretionary	per non-operating day	NB	200.00	252.00	252.00	0.00%
Safety Advisory Group							
Road closure application s21 TPCA 1847	Discretionary	per application	NB	25.00	75.00	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	20.00	20.00	0.00%
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%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Food Safety Charges							
Food surrender inspection and issuing of certificate	Discretionary	Set fee for first hour, then officers hourly rate thereafter.	NB	106.00	123.00	129.00	5%
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	105.00	111.00	6%
Food safety advisory visits - to include a 2 hour consultation, follow up reports and supporting documentation.	Discretionary		VT	120.00	120.00	144.00	6%
Food Export - confirmation enforcement / compliance. (Not EHC)	Discretionary	Original with seal	NB	75.00	75.00	79.00	5.33%
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	Cost recovery	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	Cost recovery	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	Cost recovery	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	Cost recovery	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	Cost recovery	Cost recovery	N/A

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Miscellaneous							
Scrap Metal Site Licence	Discretionary		NB	354.00	411.00	431.50	4.99%
Scrap Metal Collectors Licence	Discretionary		NB	237.00	275.00	288.50	4.91%
Scrap Metal Site Licence - Renewal	Discretionary		NB	237.00	275.00	288.50	4.91%
Scrap Metal Collectors Licence - Renewal	Discretionary		NB	118.00	137.00	143.50	4.74%
Scrap Metal Variations	Discretionary		NB	89.00	103.00	108.00	4.85%
Scrap Metal Replacement Licence	Discretionary		NB	12.50	14.50	15.00	3.45%
Distribution of free printer material - week permit	Discretionary		NB	31.00	36.00	37.50	4.17%
Distribution of free printer material - month permit	Discretionary		NB	57.00	66.00	69.00	4.55%
Distribution of free printer material - year permit	Discretionary		NB	103.00	119.00	125.00	5.04%
Gambling Act							
New small casino	Statutory Maximum	New application	NB	7,535.00	8,000.00	8,000.00	0.00%
		Annual fee	NB	4,277.00	4,962.00	5,000.00	0.77%
		Variation	NB	3,084.00	3,578.00	3,757.00	5.00%
		Transfer	NB	1,794.00	1,800.00	1,800.00	0.00%
		Re-instatement	NB	1,507.00	1,749.00	1,800.00	2.92%
		Provisional statement	NB	7,536.00	8,000.00	8,000.00	0.00%
		Provisional statement holders	NB	2,677.00	3,000.00	3,000.00	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 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Gambling Act							
New large casino	Statutory Maximum	New application	NB	8,966.00	10,000.00	10,000.00	0.00%
		Annual fee	NB	8,626.00	10,000.00	10,000.00	0.00%
		Variation	NB	4,077.00	4,730.00	4,967.00	5.01%
		Transfer	NB	2,106.00	2,150.00	2,150.00	0.00%
		Re-instatement	NB	2,150.00	2,150.00	2,150.00	0.00%
		Provisional statement	NB	9,016.00	10,000.00	10,000.00	0.00%
		Provisional statement holders	NB	4,428.00	5,000.00	5,000.00	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%
Regional casino	Statutory Maximum	New application	NB	14,201.00	15,000.00	15,000.00	0.00%
		Annual fee	NB	13,317.00	15,000.00	15,000.00	0.00%
		Variation	NB	6,652.00	7,500.00	7,500.00	0.00%
		Transfer	NB	4,852.00	5,629.00	5,910.00	4.99%
		Re-instatement	NB	4,852.00	5,629.00	5,910.00	4.99%
		Provisional statement	NB	14,201.00	15,000.00	15,000.00	0.00%
		Provisional statement holders	NB	6,915.00	8,000.00	8,000.00	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 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Gambling Act							
Bingo club	Statutory Maximum	New application	NB	2,581.00	2,994.00	3,144.00	5.01%
		Annual fee	NB	804.00	933.00	980.00	5.04%
		Variation	NB	1,750.00	1,750.00	1,750.00	0.00%
		Transfer	NB	981.00	1,138.00	1,195.00	5.01%
		Re-instatement	NB	981.00	1,138.00	1,195.00	5.01%
		Provisional statement	NB	2,581.00	2,994.00	3,144.00	5.01%
		Provisional statement holders	NB	1,067.00	1,200.00	1,200.00	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%
Betting Premises (excluding tracks)	Statutory Maximum	New application	NB	2,626.00	3,000.00	3,000.00	0.00%
		Annual fee	NB	522.00	600.00	600.00	0.00%
		Variation	NB	1,492.00	1,500.00	1,500.00	0.00%
		Transfer	NB	981.00	1,138.00	1,195.00	5.01%
		Re-instatement	NB	981.00	1,138.00	1,195.00	5.01%
		Provisional statement	NB	2,581.00	2,994.00	3,000.00	0.20%
		Provisional statement holders	NB	1,067.00	1,200.00	1,200.00	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%
Tracks	Statutory Maximum	New application	NB	2,018.00	2,341.00	2,458.00	5.00%
		Annual fee	NB	804.00	933.00	980.00	5.04%
		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	979.00	950.00	950.00	0.00%
		Provisional statement	NB	2,018.00	2,341.00	2,458.00	5.00%
		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 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23	Charge 2023/24	Charge 2024/25	Increase / Decrease on 2023/24
				£	£	£	%
Gambling Act							
Family Entertainment Centres	Statutory Maximum	New application	NB	2,000.00	2,000.00	2,000.00	0.00%
		Annual fee	NB	695.00	750.00	750.00	0.00%
		Variation	NB	913.00	1,000.00	1,000.00	0.00%
		Transfer	NB	950.00	950.00	950.00	0.00%
		Re-instatement	NB	950.00	950.00	950.00	0.00%
		Provisional statement	NB	2,000.00	2,000.00	2,000.00	0.00%
		Provisional statement holders	NB	883.00	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%
Adult Gaming Centre	Statutory Maximum	New application	NB	2,000.00	2,000.00	2,000.00	0.00%
		Annual fee	NB	809.00	939.00	986.00	5.01%
		Variation	NB	913.00	1,000.00	1,000.00	0.00%
		Transfer	NB	981.00	1,138.00	1,195.00	5.01%
		Re-instatement	NB	981.00	1,138.00	1,195.00	5.01%
		Provisional statement	NB	2,000.00	2,000.00	2,000.00	0.00%
		Provisional statement holders	NB	1,063.00	1,200.00	1,200.00	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%
Temporary Use Notices	Statutory Maximum	New application	NB	223.00	259.00	272.00	5.02%
		Copy licence	NB	25.00	25.00	25.00	0.00%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Gambling Act							
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%
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%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Gambling Act							
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%
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	75.00	92.00	97.00	5.43%
		For 3 years	NB	154.00	190.00	200.00	5.26%
Vehicle Licence	Discretionary	New	NB	346.00	346.00	346.00	0.00%
		Renewal	NB	305.00	305.00	305.00	0.00%
Additional Hackney Carriage & Private Hire Drivers licence	Discretionary		NB	32.00	37.00	39.00	5.41%
Private Hire Operators	Discretionary	1-3 Vehicles	NB	148.00	200.00	210.00	5.00%
		4-10 Vehicles	NB	483.00	590.00	620.00	5.08%
		11+ Vehicles	NB	960.00	1,114.00	1,170.00	5.03%
Drivers Badge (replacement)	Discretionary		NB	13.00	15.00	15.00	0.00%
Fee for Returned (Bounced) Cheques	Discretionary		NB	19.00	22.00	23.00	4.55%
Transfer of vehicle licence (including plate)	Discretionary		NB	38.00	46.00	48.00	4.35%

DISCRETIONARY & STATUTORY FEES 2024/25

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Hackney Carriage/Private Hire *							
Replacement Plate (internal/external)	Discretionary		NB	22.00	26.00	26.00	0.00%
Additional Vehicle under an Operators Licence	Discretionary	Category 1-3	NB	146.00	200.00		
	Discretionary	Category 4-10	NB	334.00	415.00	436.00	5.06%
	Discretionary	Category 11+	NB	483.00	560.00	588.00	5.00%
Replacement Licence	Discretionary		NB	13.00	15.00	15.00	0.00%
Hackney carriage knowledge test	Discretionary		NB	61.00	71.00	74.00	4.23%
DBS	Set by Home Office		NB	38.00	38.00	38.00	0.00%
Environmental Protection							
Contaminated land conveyance searches	Discretionary		NB	25.00	25.00	25.00	0.00%

DISCRETIONARY & STATUTORY FEES 2024/25

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Telecare/Lifeline						
Telecare Lifeline/Addition Installation (Within Kent)	One Off Payment per client	EX	82.00	82.00	82.00	0.00%
Telecare Lifeline/addition Postage and self install - Nation Wide	One off payment per client	EX	15.00	17.36	17.36	0.00%
Telecare Lifeline Monitoring and Equipment Hire	Annual Fee per client	EX	165.00	170.00	170.00	0.00%
NEW - Additional sensor monitoring annual fee		EX		108.00	108.00	
Supply of Second Pendant sensor	One off payment per client	EX	57.00	60.00	60.00	0.00%
Supply of Key safe - new style	One Off Payment per client	EX	72.00	75.00	75.00	0.00%
Supply of Key release Door Chain new style	One Off Payment per client	EX	65.00	65.00	65.00	0.00%
Telecare/Lifeline Equipment	Replacement of Equipment due to Damage/Non Return	EX	211.00	240.00	240.00	0.00%
Purchase of Safe Socket	One off payment per safe socket required	EX	26.00	30.00	30.00	0.00%
Purchase of BT Cable for Lifeline	One off payment per BT cable required	EX	15.00	17.00	17.00	0.00%
Purchase of Fall Detector	One off payment per fall detector	EX	113.00	120.00	120.00	0.00%
Purchase of Carbon Monoxide Detector	One off payment per Carbon Monoxide Detector	EX	125.00	125.00	125.00	0.00%
Purchase of Flood Detector	One off payment per Flood Detector	EX	113.00	113.00	113.00	0.00%
Purchase of Pendant Easy Press	One off payment per Pendant Easy Press	EX	10.00	12.00	13.00	8.33%
Purchase of Smoke Alarm Detector	One off payment per Smoke Alarm Detector	EX	113.00	113.00	113.00	0.00%
Purchase of Power Cable	One off payment per Power Cable	EX	36.00	36.00	36.00	0.00%
Insurance CCTV review/download	One off payment for a data protection request from an insurance company	EX	125.00	125.00	125.00	0.00%

N.B. Costs are shown without VAT as most cases are Vat exempt however VAT will be added where a valid VAT exemption is not provided

DISCRETIONARY & STATUTORY FEES 2024/25

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Land Charges						
Standard Search Fee	Domestic Properties	VT	Cost Recovery			
	Non-Domestic Properties	VT	Cost Recovery			
Extra Questions		VT	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. The CON29 is also subject to VAT.</i>					
Street Administration						
Street Naming and numbering	1 Unit	NB	59.00	68.00	71.00	4.41%
	2-10 units	NB	47.00	55.00	58.00	5.45%
	Over 10 units	NB	43.00	50.00	53.00	6.00%
New Street Name		NB	140.00	162.00	170.00	4.94%
Rename Existing Street		NB	298.00	346.00	363.00	4.91%
Address Change	per property	NB	59.00	68.00	71.00	4.41%
Building Control						
Discretionary Works	Including Party Wall surveying, Fire Risk assessments, Access audits, SBEM, SAP ratings and other surveying activities. Some of these costs are subject to VAT.	VT	Cost Recovery			
Charge for the Supply of Information and Photocopies of Documents						
Notices and Extracts	Authenticated Building Control Regulation Approval or Completion Certificate	VT	11.66	13.53	25.00	84.77%
	Architects Plans (A3 & A4)	VT	0.42	0.49	0.51	4.08%
	Architects Plans (A2+)	VT	7.29	8.46	8.88	4.96%
Fact sheets	Major Development Proposals in Ashford (per page)	VT	1.99	2.31	2.43	5.19%
	All other fact sheets (per page)	VT	0.42	0.49	0.51	4.08%
Requests for Planning Information*		VT	62.87	72.93	76.58	5.00%
Requests for Building Control Information*		VT	62.87	72.93	76.58	5.00%
Inspection of approved Building Regulation Plans*		VT	62.87	72.93	76.58	5.00%
Gas and Pipeline Extracts*		VT	7.86	9.12	9.58	5.04%
Postage and Packing		VT	1.09	1.26	1.32	4.76%
*Fee for additional work on information that is freely available on website						

DISCRETIONARY & STATUTORY FEES 24/25

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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%

DISCRETIONARY & STATUTORY FEES 2024/25

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Chilmington Road Travellers Site						
Rent	Charge per week	NB	51.94	60.25	63.27	5.00%
Service Charge	Charge per week	NB	40.43	46.90	49.24	5.00%
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	71.00	82.00	86.00	4.88%
Site Licence Application Fees	Band 1 - 1-10 pitches	NB	404.00	469.00	492.00	4.90%
	Band 2 - 11-50 pitches	NB	451.00	523.00	549.00	4.97%
	Band 3 - 51-99 pitches	NB	596.00	691.00	726.00	5.07%
	Band 4 - 100-199 pitches	NB	740.00	858.00	901.00	5.01%
	Band 5 - 200+ pitches	NB	906.00	1051.00	1104.00	5.04%
Application to transfer a site licence	Band 1 - 1-10 pitches	NB	80.00	93.00	98.00	5.38%
	Band 2 - 11-50 pitches	NB	91.00	106.00	111.00	4.72%
	Band 3 - 51-99 pitches	NB	119.00	138.00	145.00	5.07%
	Band 4 - 100-199 pitches	NB	148.00	172.00	181.00	5.23%
	Band 5 - 200+ pitches	NB	181.00	210.00	221.00	5.24%
Application to amend a site licence	Band 1 - 1-10 pitches	NB	133.00	154.00	162.00	5.19%
	Band 2 - 11-50 pitches	NB	149.00	173.00	182.00	5.20%
	Band 3 - 51-99 pitches	NB	197.00	229.00	240.00	4.80%
	Band 4 - 100-199 pitches	NB	244.00	283.00	297.00	4.95%
	Band 5 - 200+ pitches	NB	299.00	347.00	364.00	4.90%

DISCRETIONARY & STATUTORY FEES 2024/25

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	318.00	369.00	387.00	4.88%
Charge to carry out inspections in respect of a UK entry application		NB	128.00	148.00	155.00	4.73%
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	361.00	419.00	440.00	5.01%
Charge for making an emergency prohibition order - Housing Act 2004		NB	240.00	278.00	292.00	5.04%
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	
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	2,652.00	3,076.00	3,230.00	5.01%
	For subsequent offences the penalty will be £5,000 to deter continued non-compliance. No early payment discount would apply	NB	5,305.00	6,154.00	6,462.00	5.00%
House in Multiple Occupation Licence Fee	Five Year Licence - 1st property	NB	802.00	802.00	842.00	4.99%
	Five Year Licence - subsequent properties	NB	802.00	802.00	842.00	4.99%
ABC Lettings						
Management charge	Agreed with landlord	VT	10% -12.5%	10%	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%

DISCRETIONARY & STATUTORY FEES 2024/25

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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%
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 refund of Season ticket	VT	10.00	10.00	10.00	0.00%
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 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%

DISCRETIONARY & STATUTORY FEES 2024/25

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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 2024/25

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	1.30	8.33%
	Civic Centre and Stour Centre car park charge over 4 hours Mon-Fri	VT	12.00	12.00	13.20	10.00%
	Civic Centre and Stour Centre car park charge over 4 hours Sat and Sun	VT	5.50	5.50	6.00	9.09%
	Civic Centre and Stour Centre car park per hour Coach Charge (Linear Charge in 5p increments)	VT	1.85	1.85	2.00	8.11%
	Civic Centre and Stour Centre car park Coach charge over 4 hours	VT	12.00	12.00	13.20	10.00%
	Dover Place car park per hour	VT	1.20	1.20	1.30	8.33%
	Dover Place car park over 4 hours	VT	5.50	5.50	6.00	9.09%
	Elwick Road car park per hour	VT	1.20	1.20	1.30	8.33%
	Elwick Road car park over 4 hours	VT	5.50	5.50	6.00	9.09%
	Elwick Place car park up to 2 hours	VT	2.40	2.40	2.60	0.00%
	Elwick Place car park up to 3 hours	VT	3.60	3.60	3.90	0.00%
	Elwick Place car park up to 4 hours	VT	4.80	4.80	5.20	0.00%
	Elwick Place car park up to 5 hours	VT	6.00	6.00	6.50	0.00%
	Elwick Place car park over 5 hours	VT	12.00	12.00	13.20	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	1.30	8.33%
	Edinburgh Road car park charge over 4 hours	VT	5.50	5.50	6.00	9.09%
	Flour Mills car park per hour	VT	1.20	1.20	1.30	8.33%
	Flour Mills car park charge over 4 hours	VT	4.80	4.80	4.80	0.00%
	Station Road Ashford car park per hour	VT	1.20	1.20	1.30	8.33%
	Station Road Ashford car park charge over 4 hours	VT	5.50	5.50	6.00	9.09%
	Vicarage Lane car park per hour	VT	1.20	1.20	1.30	8.33%
	Vicarage Lane car park charge over 4 hours	VT	12.00	12.00	13.20	10.00%
	Victoria Road car park per hour ** (new car park)	VT	1.20	1.20	1.30	8.33%
	Victoria Road car park charge over 4 hours ** (new car park)	VT	5.50	5.50	6.00	9.09%

DISCRETIONARY & STATUTORY FEES 2024/25

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Car Park Charges (Tenterden)						
	Bridewell Lane car park per hour	VT	1.20	1.20	1.30	8.33%
	Bridewell Lane car park over 4 hours	VT	5.50	5.50	6.00	9.09%
	Recreation Ground Road car park per hour	VT	1.20	1.20	1.30	8.33%
	Recreation Ground Road car park over 4 hours	VT	12.00	12.00	13.20	10.00%
	Station Road car park Tenterden per hour	VT	1.20	1.20	1.30	8.33%
	Station Road car park Tenterden over 4 hours	VT	12.00	12.00	13.20	10.00%
	Station Road car park Tenterden per hour Coach charge	VT	1.85	1.85	2.00	8.11%
	Station Road car park Tenterden over 4 hours coach charge	VT	12.00	12.00	13.20	10.00%
	Tenterden Leisure Centre car park per hour	VT	1.20	1.20	1.30	8.33%
	Tenterden Leisure Centre car park over 4 hours	VT	12.00	12.00	13.20	10.00%
	Tenterden Leisure Centre car park Coach charge per hour	VT	1.85	1.85	2.00	8.11%
	Tenterden Leisure Centre car park Coach charge over 4 hours	VT	12.00	12.00	13.20	10.00%
On Street Parking Charges						
	Charge per hour before 6pm	NB	1.20	1.20	1.30	8.33%
	Charge after 6pm for parking up to 1 hour	NB	1.20	1.20	1.30	8.33%
	Charge after 6pm for parking over one hour	NB	3.30	3.30	3.60	9.09%
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.

DISCRETIONARY & STATUTORY FEES 2024/25

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Compliance Check	For domestic Development	VT	96.00	111.00	117.00	5.41%
(Confirmation that a development has been built in accordance with the approved plans)	For a Domestic proposal that requires a site visit	VT	185.00	215.00	226.00	5.12%
Research of Planning History	To confirm whether or not permitted development rights have been removed from a dwelling	VT	48.00	56.00	59.00	5.36%
Formal Complaint under High Hedges Legalisation		VT	527.00	611.00	642.00	5.07%
Pre-Application Planning & Policy Advice - Agreed by Cabinet November 2022						
Householder extensions, alterations and others	Written advice only	VT		140.00	147.00	5.00%
	1st meeting & written advice	VT		280.00	294.00	5.00%
Minor developments 1-4 dwellings	Written advice only	VT		400.00	420.00	5.00%
	1st meeting & written advice	VT		600.00	630.00	5.00%
Minor developments 1-4 dwellings	Written advice only	VT		700.00	735.00	5.00%
	1st meeting & written advice	VT		1,000.00	1,050.00	5.00%
Small major developments 10-49 dwellings	Written advice only	VT		1,500.00	1,575.00	5.00%
	1st meeting & written advice	VT		2,500.00	2,625.00	5.00%
Large major developments 50+ dwellings	1st meeting & written advice	VT		4,000.00	4,200.00	5.00%
Follow up advice	50% of original fee	VT		50%	50%	0.00%
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)	5000+ (see description)	
PPAs	1st meeting & written advice - Negotiable depending on what service the applicant demands, such as a dedicated resource	VT		Negotiable	Negotiable	
Commerical up to 250sqm	Written advice only	VT		150.00	158.00	5.33%
	1st meeting & written advice	VT		300.00	315.00	5.00%
Commerical 250 to 500sqm	Written advice only	VT		300.00	315.00	5.00%
	1st meeting & written advice	VT		500.00	525.00	5.00%

DISCRETIONARY & STATUTORY FEES 2024/25

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
Pre-Application Planning & Policy Advice - Agreed by Cabinet November 2022						
Commerical 500 to 1000sqm	Written advice only	VT		900.00	945.00	5.00%
	1st meeting & written advice	VT		1,200.00	1,260.00	5.00%
Commerical over 1000sqm	1st meeting & written advice	VT		1200 + 500 per 500sqm	1200 + 500 per 500sqm	
Follow up advice	Written advice only - 50% of original fee	VT		50%	50%	0.00%
	1st meeting & written advice - 50% of original fee	VT		50%	50%	0.00%
Charities	Written advice only - Half the fee	VT		Half	Half	
	1st meeting & written advice - Half the fee	VT		Half	Half	
Tree works advice	Written advice only	VT		100.00	105.00	5.00%
	1st meeting & written advice	VT		200.00	210.00	5.00%
	Written advice only - Half the relevant pre-application fee	VT		Half	Half	
	1st meeting & written advice - Half the relevant pre-application fee	VT		Half	Half	

All other Statutory charges apply

DISCRETIONARY & STATUTORY FEES 2024/25						
Charges for Room Hire						
Item	Description/Comments	VAT Indicator	Charge 2022/23 £	Charge 2023/24 £	Charge 2024/25 £	Increase / Decrease on 2023/24 %
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	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%

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

VT = Inclusive of VAT

Equality Impact Assessment

Lead officer:	Service Lead for Finance
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 2024/25 in line with 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 2024/25 and associated recommendations.</p> <p>Approve the capital strategy, investment strategy treasury strategy, investment policy and fees and charges for 2024/25.</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 2023/24 –July/October/January Cabinet reports.</p> <p>MTFP Cabinet report – October Cabinet</p> <p>Draft Budget report – November Cabinet</p> <p>HRA Business Plan – November 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 early 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 2024.</p> <p>JCC – staff consultation January 2024.</p> <p>Public consultation late December to early-February – Borough wide consultation, communicated via website and appropriate media channels.</p> <p>Responses to public consultation will be published at February 2024 Cabinet.</p>
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Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.

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

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>	Low/Medium	Positive Minor– No contribution required through Council Tax support
<p>Middle age</p>	Low	Negative Minor – Increased level of contribution through Council Tax Support Scheme.

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 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>February 2024</p>

Budget Housing Revenue Account 2024/25

SUBJECTIVE ANALYSIS - 2024/25 ESTIMATE						
Housing Revenue Account						
	Supervision & Management	Income	New Builds	Other	Repairs & Maintenance	Total
EXPENDITURE						
Employees	2,934,450	-	-	-	2,368,690	5,303,140
Premises	1,597,490	-	-	-	3,731,150	5,328,640
Supplies and Services	949,940	-	66,200	222,000	62,620	1,300,760
Transport	118,070	-	-	-	110,950	229,020
TOTAL EXPENDITURE	5,599,950	-	66,200	222,000	6,273,410	12,161,560
INCOME						
Grants	-	-	-	(2,999,850)	-	(2,999,850)
Fees & Charges	(295,300)	(33,045,850)	(8,000)	-	(26,200)	(33,375,350)
TOTAL INCOME	(295,300)	(33,045,850)	(8,000)	(2,999,850)	(26,200)	(36,375,200)
NET CONTROLLABLE EXPENDITURE	5,304,650	(33,045,850)	58,200	(2,777,850)	6,247,210	(24,213,640)
NON CONTROLLABLE ITEMS						
Support Services	2,507,850	-	11,170	975,830	262,660	3,757,510
Capital Charges	-	-	-	22,181,490	-	22,181,490
Recharges	(164,330)	-	-	-	-	(164,330)
Transfers to/from Reserves	-	-	-	-	-	-
TOTAL NON-CONTROLLABLE ITEMS	2,343,520	-	11,170	23,157,320	262,660	25,774,670
NET EXPENDITURE	7,648,170	(33,045,850)	69,370	20,379,470	6,509,870	1,561,030

Capital Programme 2024/25 - 2026/27							
	Current budget £'000	Previous Exp £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Future Years £'000
Corporate Property and Projects							
Planned Minor Capital Works for General Fund Assets	2,000	0	500	500	500	500	0
Ellingham Roof	1,300	50	1	1,249	0	0	0
Provisional for Economic Investment & Regeneration Board	8,000	0	2,000	2,000	2,000	2,000	0
Property Company Acquisitions - based on current business plan	119,355	39,055	1,700	11,600	35,000	32,000	0
Phase 1 Relocation of Civic Centre Offices	1,750	0	100	1,650	0	0	0
Solar PV (various sites)	3,500	73	0	0	3,427	0	0
Carlton Road Solar PV	500	7	493	0	0	0	0
Stour Centre Solar PV	6,800	3	349	6,448	0	0	0
Stodmarsh Phase	3,510	190	250	3,070	0	0	0
Decarbonisation International House	2,405	0	0	112	2,293	0	0
Newtown Works Phase 1	72,248	12,596	2,000	40,193	17,459	0	0
Newtown Works Phase 2	50,000	0	0	17,000	33,000	0	0
Newtown Works Levelling Up Fund	14,774	3,855	6,636	4,283	0	0	0
Project Green	90	90	0	0	0	0	0
Street Lighting Replacement	1,100	922	78	100	0	0	0
Park Mall Redevelopment	200	0	0	200	0	0	0
Ninn Lane	1,700	0	0	1,700	0	0	0
Total - Corporate Property and Projects	289,232	56,841	14,107	90,105	93,679	34,500	0
Housing							
Mandatory Disabled Facility Grants							
Expenditure	3,098	0	1,028	1,035	1,035	0	0
External Funding	(3,008)	0	(938)	(1,035)	(1,035)	0	0
ABC Contribution	90	0	90	0	0	0	0
Total - Housing	3,098	0	1,028	1,035	1,035	0	0
Information Technology							
Digital Transformation	650	179	30	335	106	0	0
Total - Information Technology	650	179	30	335	106	0	0
Culture & the Environment							
Single Grants Gateway Fund	300	0	75	75	75	75	0
Conningbrook Lakes Country Park development	2,353	143	50	2,160	0	0	0
Play Parks	1,100	954	10	136	0	0	0
Finberry Community Centre	3,360	0	0	3,360	0	0	0
Walking & Cycling	500	0	0	500	0	0	0
Tenterden Leisure Procurement	2,000	0	0	0	2,000	0	0
Total Gross Expenditure	9,613	1,097	135	6,231	2,075	75	0
External Funding	(6,213)	(143)	(50)	(6,020)	0	0	0
Net Expenditure	3,400	954	85	211	2,075	75	0
Total Culture & the Environment	9,613	1,097	135	6,231	2,075	75	0
Community Safety and Wellbeing							
Automatic Number Plate Recognition	320	97	0	223	0	0	0
Total Community Safety and Wellbeing	320	97	0	223	0	0	0
General Fund Total	302,913	58,214	15,300	97,929	96,895	34,575	0
HRA Capital Works - as current business plan							
Programmed Works	38,573	Ongoing	3,997	11,372	11,640	11,564	0
Adaptions to Disabled Properties	2,400	Ongoing	600	600	600	600	0
Play Areas	186	0	6	180	0	0	0
Street Purchases	27,500	Ongoing	7,500	12,500	7,500	0	0
Local Authority Housing Fund Programme (Ukrainain and Afghanistan)	7,982	0	3,035	4,947	0	0	0
Henwood Temporary Accommodation	7,608	328	3,801	3,479	0	0	0
Digitalisation	20	0	20	0	0	0	0
Decarbonisation	19,373	12	4,175	7,198	1,600	1,600	4,788
Lifeline	222	0	54	56	56	56	0
Court Wurtin	109	0	109	0	0	0	0
55 Mabledon (Piper Joinery)	7,045	0	0	0	745	2,400	3,900
Oakleigh House	13,064	634	100	0	0	100	12,230
Coneybeare	10,022	0	0	0	0	3,067	6,955
Tile Kiln	4,315	0	0	0	500	1,250	2,565
Kent Wool Growers	39,101	0	4,100	0	11,667	11,667	11,667
Heathside	1,075	0	0	75	1,000	0	0
Infill Sites	1,300	0	0	650	650	0	0
Monypenny & Vicarage	11,246	0	0	0	1,000	3,000	7,246
Millview	1,175	0	120	1,055	0	0	0
Pym House	8,000	0	0	0	0	0	8,000
Repton Medical Centre	4,500	0	0	0	500	3,000	1,000
Hope House AR - High Halden s106	1,477	0	1,477	0	0	0	0
Hope House SO - High Halden s106	984	0	984	0	0	0	0
Chapmans Close	640	0	320	320	0	0	0
Total HRA	207,917	974	30,398	42,432	37,458	38,304	58,351
Total Capital Spend	510,830	59,188	45,698	140,361	134,353	72,879	58,351

Appendix G

Capital Programme 2023/24 - 2025/26							
	Current budget £'000	Previous Exp £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Future Years £'000
CAPITAL SUMMARY							
Corporate Property and Projects	289,232	56,841	14,107	90,105	93,679	34,500	0
Housing	3,098	0	1,028	1,035	1,035	0	0
Information Technology	650	179	30	335	106	0	0
Culture & the Environment	9613	1097	135	6231	2075	75	0
Community Safety and Wellbeing	320	97	0	223	0	0	0
GENERAL FUND	302,913	58,214	15,300	97,929	96,895	34,575	0
HOUSING REVENUE ACCOUNT	207,917	974	30,398	42,432	37,458	38,304	58,351
TOTAL CAPITAL PROGRAMME	510,830	59,188	45,698	140,361	134,353	72,879	58,351
Funding Statement 2023/24 - 2025/26							
Funding Source							
1-4-1 Capital Receipts - HRA	14,802	0	3,984	5,000	3,298	960	1,560
Other Capital Receipts - HRA	7,239	0	2,935	3,257	979	68	0
Capital Receipts - GF	390	0	165	75	75	75	0
Borrowing HRA	130,516	974	10,820	21,393	21,359	25,663	50,307
Borrowing GF	271,911	53,034	6,971	84,220	93,686	34,000	0
External grants & contributions HRA	22,155	0	3,752	6,252	1,185	4,483	6,483
External grants & contributions GF	25,601	3,998	7,624	11,451	2,528	0	0
Major Repairs Reserve HRA	24,608	0	4,906	4,072	8,500	7,130	0
Other Reserve HRA	8,594	0	4,000	2,457	2,137	0	0
Other Reserve GF	5,013	1,182	541	2,184	606	500	0
	510,830	59,188	45,698	140,361	134,353	72,879	58,351
External Grants							
Homes & Communities Agency (HCA)	13,106	0	971	284	885	4,483	6,483
Section 106	6,099	143	56	5,600	300	0	0
Heritage Lottery fund	0	0	0	0	0	0	0
Better Care Fund - Disabled Facility Grants	3,008	0	938	1,035	1,035	0	0
Public Sector Decarbonisation Scheme Grant HRA	5,079	0	1,290	3,789	0	0	0
Public Sector Decarbonisation Scheme Grant GF	1,605	0	0	112	1,493	0	0
Department for Transport	500	0	0	500	0	0	0
Changing Places	0	0	0	0	0	0	0
Local Authority Housing Fund	3,584	0	1,485	2,099	0	0	0
Department for Levelling Up	14,775	3,855	6,636	4,284	0	0	0
	47,756	3,998	11,376	17,703	3,713	4,483	6,483

Capital Strategy Report 2024/25

Introduction

The capital strategy report provides 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. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

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 2024/25, the Council is planning capital expenditure of just over £139m as summarised below:

Table 1. Capital Expenditure

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund services	14,000	96,629	96,895	37,575
Council Housing (HRA)	30,398	42,432	37,458	38,304
Total Expenditure	44,398	139,061	134,353	75,879

The main General Fund capital projects included for 2024/25 are listed below:

- £10.3m of loans to the Council's subsidiary A Better Choice for Property Ltd
- £61.4m Newtown Works (Loans to Ashford International Development Company)
- £6.4m Stour Centre solar farm
- £3.3m Finberry Community Centre
- £3m Nutrient Neutrality
- £2.1m Conningbrook Lakes Country Park

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 November 2023, and looks to significantly increase its housing stock numbers through new developments, and the purchase of old housing stock from the open market. Development has been held up in recent years due to nutrient neutrality issues with the River Stour although it is anticipated that a solution will be forthcoming in 2024/25 to unlock the developments

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, who calculate the financing cost (which can be nil if the project is fully externally financed), Planners and Legal specialists before presentation to Management Team. 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 22 February 2024 as part of the 2024/25 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 and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2023/24 Revised £'000	2024/25 Estimate £'000 *	2025/26 Estimate £'000	2026/27 Estimate £'000
Capital Receipts	7,084	8,332	4,352	1,103
Reserves	9,447	8,713	11,243	7,630
Borrowing	16,491	104,313	115,045	62,663
External Grants	11,376	17,703	3,713	4,483
Total Financing	44,398	139,061	134,353	75,879

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 £72m shown in 2025/26 relates to the forecast disposal of the Newtown Works Development. Planned MRP, capital and housing contributions are as follows:

Table 3: Replacement of debt finance

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
MRP	1,683	1,811	2,013	2,169
Capital Receipts	0	0	72,248	0
GF Debt Repayment	750	750	750	750
HRA Debt Repayment	3,850	3,850	1,850	1,850
HRA PFI Repayment	1,039	1,026	950	919
Total Repayment	7,322	7,437	77,811	5,688

The Council's minimum revenue provision was reported to Cabinet on the 22 February 2024 as part of the 2024/25 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 £271m as at the 31 March 2024. 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

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund	121,627	201,987	219,910	253,991
HRA	150,025	166,542	185,101	207,995
Total CFR	271,652	368,528	405,011	461,985

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 in service delivery 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.

The Council is forecasting to receive £8.3m of capital receipts in the coming financial year as tabled below, £8.2m relates the HRA and is linked to right to buy sales where tenants purchase their Council property.

Table 5: Capital receipts receivable

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Asset Disposals	7,084	8,332	4,352	1,103
Loan Repayments	0	0	0	0
Total	7,084	8,332	4,352	1,103

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.

The Council currently (as at 31 December 2023) has £97.2m of short term borrowing at an average interest rate of circa 4.75% and long term borrowing of £124m. £95m 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 2023 also had £33.5m of investments which had an average rate of circa 5.50%.

Borrowing strategy: The Council's current strategy is to take short term borrowing as it is forecast that interest rates will start to fall from autumn 2024, to a low of around 3% by late 2025. The Council will monitor PWLB and other long term debt financing options and if an opportunity presents then a decision will be made accordingly in conjunction with external advisors.

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

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Total Debt	(259,332)	(355,111)	(392,345)	(446,320)
Total CFR	272,952	371,128	408,363	462,337

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

Authorised Limit for Borrowing	2023/24 Limit £'000	2024/25 Limit £'000	2025/26 Limit £'000	2026/27 Limit £'000
Borrowing	548,000	736,000	812,000	928,000
Other long-term liabilities	23,000	23,000	23,000	23,000
Total Debt	571,000	759,000	835,000	951,000

Operational Boundary for Borrowing	2023/24 Limit £'000	2024/25 Limit £'000	2025/26 Limit £'000	2026/27 Limit £'000
Borrowing	249,000	343,000	381,000	439,000
Other long-term liabilities	16,000	15,000	14,000	13,000
Total Debt	265,000	358,000	395,000	452,000

Treasury 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 22 February 2024 as part of the 2024/25 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, and 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 aims for leases with strong covenants in terms of length of lease, which enables the council to 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 £249m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £1.1m) 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 8: Prudential Indicator: Proportion of financing costs to net revenue stream

	2023/24 Revised	2024/25 Budget	2025/26 Budget	2026/27 Budget
Financing costs (£,000)	1,873	4,011	3,793	2,597
Proportion of net revenue stream	10.01 %	19.11 %	17.62 %	13.86 %

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 current strategy of short term borrowing has been more susceptible to interest rate fluctuations. Interest receipts are anticipated to increase 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 expected to reduce from 2024/25 onwards. 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 into the revenue budget.

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 2024/25

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the 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 Council 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 and reduce the CFR instead.

No MRP will be charged in respect of assets held within the Housing Revenue Account. The HRA produces a 30 year business plan that allows for additional

resources above the £1m minimum reserve balance to be used for repayment of debt.

Capital expenditure incurred during 2024/25 will not be subject to a MRP charge until 2025/26 or later as it is not applied until the year following completion/acquisition.

Based on the Council's latest estimate of its Capital Financing Requirement on 31 March 2024, the budget for MRP has been set as follows:

	2024/25 Debt Repayment £'000
Unsupported capital expenditure after 31.03.2008 (MRP)	1,683
PWLB Debt Repayment (annuity loans)	750
Loans to wholly owned companies *	341
Total General Fund	2,774
Assets in the Housing Revenue Account	0
Private Finance Initiative **	1,026
PWLB Debt Repayment (annuity loans)	850
HRA subsidy reform payment ***	3,000
Total Housing Revenue Account	4,876
Total	7,650

* Forecast capital receipts from repayment of principal

** Annual payment to reduce CFR liability

*** Repayment of loans that reach maturity

Treasury Management Strategy Statement 2024/25

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

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

Investments held for service purposes or for commercial profit are considered in the Investment Strategy which was presented to Cabinet on the 22 February 2024.

Interest rate forecast (December 2023)

Although UK inflation and wage growth remain elevated, the Council's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is in **Appendix A**.

Local Context (External Context and Credit Outlook are at Appendix A)

On 31 December 2023 the Council held £221.6m borrowing, of which £97.2m related to short term borrowing, £13.5m long-term borrowing to the General Fund and £110.9m to the Housing Revenue Account. The Council also had investments of £33.5m. 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

	2023/24 Estimate £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
General Fund CFR	121,627	201,987	220,662	254,743
HRA CFR	150,025	166,542	185,101	207,995
Total CFR	271,652	368,528	405,763	462,737
Less: Other debt liabilities *	(15,648)	(14,622)	(13,672)	(12,753)
Loans CFR	256,004	353,906	392,091	449,984
Less: External borrowing	(125,325)	(201,987)	(220,662)	(254,743)
Less: HRA External borrowing**	(118,359)	(135,902)	(155,411)	(179,224)
Internal borrowing	12,320	16,018	16,018	16,018
Less: Balance sheet resources	(67,707)	(66,757)	(61,533)	(60,779)
Investments	(55,387)	(50,739)	(45,515)	(44,761)

* 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 24 estimate it will be £92.7m.

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 maintaining a short term borrowing strategy as it is forecast that rates will start to fall in autumn 2024. Borrowing cost are broadly similar to long term strategic investment returns, however, the strategic portfolio is currently in a capital loss position and therefore retaining current position is recommended. The best approach will be considered going forward and placements repositioned accordingly 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 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 22 February 2024). To cover off this capital investment, external borrowing of circa £254m for the general fund and £179m 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 2023/24 forecast deficit and balance the budget deficit within the 2024/25 budget while savings are identified.

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

Liability benchmark

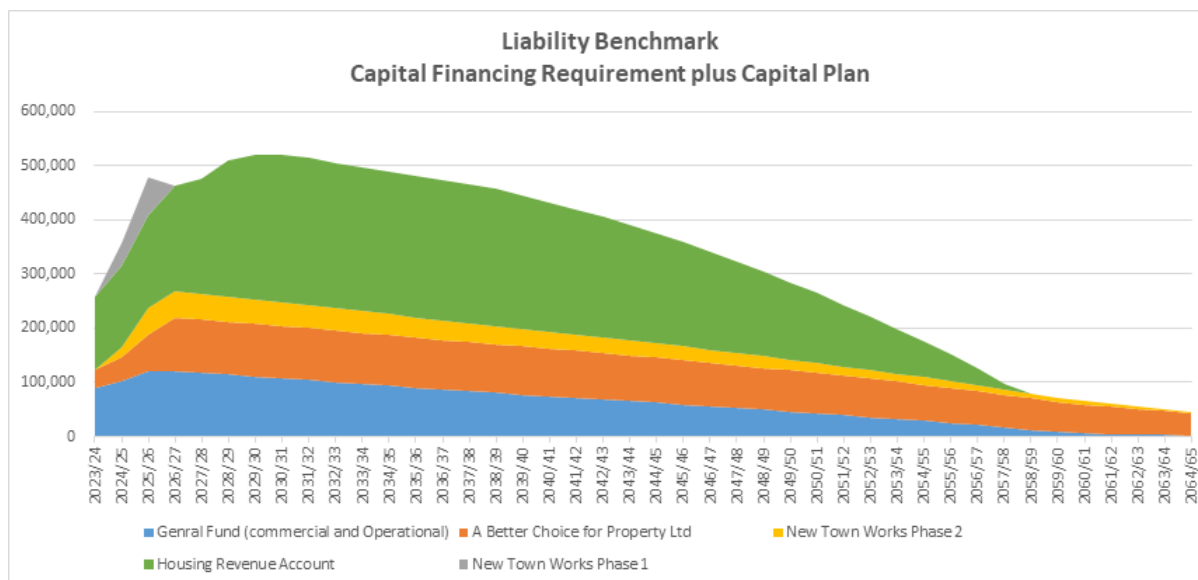
To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above.

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.

Table 2: Prudential Indicator: Liability benchmark

	2023/24 Estimate £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
Loans CFR	256,004	353,906	392,091	449,984
Less: Balance sheet resources	(67,707)	(66,757)	(61,533)	(60,779)
Net loans requirement	188,297	287,149	330,558	389,205
Plus: Liquidity allowance	10,000	10,000	10,000	10,000
Liability benchmark	198,297	297,149	340,558	399,205

Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing, minimum revenue provision on new capital expenditure based on the asset life. This is shown in the chart below and demonstrates the reducing profile of the Council's CFR. This model will be updated as capital program changes and new projects outside of the current capital plan come forward.



Borrowing Strategy

The Council currently (as at December 2023) holds £221.6m of loans, an increase of £4.6m on the previous year, as part of its strategy for funding previous capital expenditure. The balance sheet forecast in table 1 shows the Council expects to have borrowing of up to £243m by the end of 2023/24. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £759m.

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 Council's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 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)
- UK Infrastructure Bank Ltd
- 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

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

- leases
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

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 balances have been around £33.5m 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 Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code

Business models: Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties: The Council may invest its surplus funds with any of the counterparty types in table 3 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 Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic Pooled Funds: Bond, equity and property funds 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 Council 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 Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits: The Council's revenue reserves available to cover investment losses are forecast to be £20m on 31st March 2024 and £19.7m on 31st March 2025. 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 4: 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 Council 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 Council 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 Council 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 Council's average interest rate on treasury investments excluding strategic pooled funds, adjusted for credit risk if a net investment balance and at the Council's average rate of borrowing if a net borrowing balance.

Markets in Financial Instruments Directive: The Council 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 Council'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 Council'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 £1.4m, this represents a debt expenses of £5.4m and interest of £3.95m which includes £2.2m from the Council's subsidiary companies. The remaining £1.75m is based on an investment portfolio of around £33.5m which is anticipated to provide an average return of 5.5%.

The budget for debt interest payable in 2024/25 of £5.4m is based on an average debt portfolio of £98m at an average interest rate of 5.5%.

In relation to the HRA, the interest on investment income for 2024/25 is forecast at £237,750 which represents interest payable on their reserves. The budget for debt interest paid in the HRA for 2024/25 is forecast at £6.6m, based on an average long debt portfolio of £108m and internal borrowing charges from the GF with an overall average interest rate of 6.1%. 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 Cabinet Member for Prosperity and Resource, and 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 2023

External Context

Economic background: The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Council's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong, but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between

July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook: Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

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.

Underlying assumptions:

UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.

The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to

moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.

Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.

Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.

Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.

Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.

Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.

There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

Forecast:

The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.

The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.

Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-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	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-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	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-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	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

Appendix B – Existing Investment & Debt Portfolio Position as at 31/12/2023

Investment Portfolio at 31 December 2023

Counter Party	Deal Date	Rate %	Amount £	Fair Value £
Investment Accounts				
Goldman Sachs	Various		53,459	53,459
Payden Global MMF	Various	3.35%	3,000,000	2,926,375
Total Investment Accounts			3,053,459	2,979,835
Long Term Investments				
Property Investment				
A Better Choice for Property Ltd.***	Various	0.00%	991,907	2,674,623
CCLA Local Authority Property Fund	Various	5.51%	11,000,000	11,188,291
Equity Funds**				
Aegon Diversified Income Fund	13/05/2019	5.93%	5,500,000	4,989,203
CCLA Diversified Income Fund	Various	3.20%	3,000,000	2,924,583
Ninety One Diversified Income Fund	28/03/2019	4.35%	2,500,000	2,241,513
Schroder Income Maximiser	Various	7.03%	3,500,000	3,103,007
UBS Global Income Equity Fund	29/07/2019	9.51%	1,500,000	1,186,633
UBS Multi Asset Income Fund	Various	6.59%	3,000,000	2,272,791
Total Long Term Investments			30,991,907	30,580,645
Total Investment Portfolio			34,045,366	33,560,480
* 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 subsidiaries of ABC.				

Debt Portfolio as at 31 December 2023

Counterparty	Start Date	Rate %	Amount £	Maturity Date
Temporary Borrowing				
Vale of White Horse District Council	24/01/2023	4.00%	5,000,000	23/01/2024
Warwickshire Council Council	25/04/2023	4.40%	5,000,000	24/04/2024
West Yorkshire Combined Authority	25/04/2023	4.28%	8,000,000	04/01/2024
Oxfordshire County Council	27/04/2023	4.50%	5,000,000	23/04/2024
West Yorkshire Combined Authority	22/05/2023	4.40%	3,000,000	22/04/2024
West Yorkshire Combined Authority	24/05/2023	4.40%	4,000,000	22/04/2024
Oxfordshire County Council	19/06/2023	4.60%	5,000,000	24/04/2024
Fylde Borough Council	22/06/2023	4.55%	2,000,000	22/03/2024
Tendering District Council	05/07/2023	4.60%	5,000,000	05/01/2024
West Midlands Combined Authority	13/07/2023	4.05%	10,000,000	13/02/2024
West Midlands Combined Authority	01/08/2023	4.05%	10,000,000	01/02/2024
West Midlands Combined Authority	11/09/2023	4.00%	10,000,000	11/03/2024
East Suffolk Council - Woodbridge	27/09/2023	5.50%	5,000,000	29/04/2024
Crawley Borough Council	27/10/2023	5.35%	5,000,000	27/02/2024
Renfrewshire Council	01/11/2023	5.70%	6,000,000	01/08/2024
Middlesbrough Council B	14/12/2023	5.42%	3,000,000	17/01/2024
East Devon District Council	18/12/2023	5.40%	1,200,000	15/03/2024
Brentwood Borough Council	20/12/2023	5.50%	2,000,000	22/04/2024
Warwick District Council	20/12/2023	5.50%	3,000,000	20/03/2024
Total Temporary Borrowing			97,200,000	
Long Term Borrowing				
Public Works Loan Board - HRA	various	various	110,964,150	various
Public Works Loan Board - GF	13/07/2021	1.56%	13,500,000	13/07/2041
Total Long Term Borrowing			124,464,150	
Grand Total Borrowing			221,664,150	

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 2023 was £35.5m.

Detail of PWLB Loans Outstanding at 31 December 2023

Date of Advance	Loan Ref Number	Date of Repayment	Amount Outstanding £	Rate %
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			110,964,150	
13/07/2021	374159	13/07/2041	13,500,000	1.56%
Total GF Borrowing			13,500,000	

Investment Strategy Report 2024/25

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, however for Ashford many of the investments recorded under this category deliver economic and regeneration benefits).

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 Council 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 £33.5m during the 2023/24 financial year.

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

Further details: Full details of the Council's policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the treasury management strategy which was reported to Cabinet on the 22 February 2024 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	31.3.2023 actual	2024/25
	Net figure in accounts	Approved Limit
	£'000	£'000
Subsidiaries	46,469	280,000
Parish Councils	0	200
Suppliers	0	10,000
Local businesses	0	1,500
Employees	0	100
TOTAL	46,469	291,800

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate recovery 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 has a funding agreement in place for Ashford International Development Company Ltd. where loans are drawn down for the development of Newtown 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 at Table 1 represents the current value approved by the Council. However, for the money to be drawn down, business models of proposed acquisition 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 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).

Parish Councils: The Council has previously made loans 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 31/03/2023 did not have any loans made to these organisation, however it is felt prudent to make a provisional limit available under this strategy should any requirement arise in 2024/25.

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 shares for A Better Choice for Property Ltd. so that it can develop a 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	31.3.2023 actual			2024/25
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
	£'000	£'000	£'000	£'000
Subsidiary – A Better Choice for Property Ltd.	992	182	2,675	1,500
Subsidiary – Ashford International Development Company Ltd.*	1,426	(43)	1,383	1,500

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 Council 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 Council 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 will be the Newtown 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.

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	31.3.2023 actual		31.3.2024 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*	4,886	7,666	4,097	11,763
Park Mall (retail units) purchase	4,404	545	4,949	(2,187)	2,762
International House (Offices)	7,731	2,330	10,061	(420)	9,641
Carlton Road light industrial units	6,823	1,016	7,839	(333)	7,506
Elwick – Restaurants, Cinema, Hotel	38,893	(26,853)	16,189	(1,281)	14,908
Matalan	5,031	(877)	4,155	(972)	3,182
TOTAL	69,811	(18,953)	50,858	(1,096)	49,762

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

It is anticipated that the Ashford Market will continue to drop during 2024/25 and movements will be reflected in the Council's accounts 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. The biggest risk to the Council would be disposing of assets that are in capital deficit, however this may be the correct long term decision and each case will be reviewed on its merits as the

disposal will realise the loss. The Council currently has sufficient reserves to meet the cumulative deficit.

Risk assessment: The Council 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 Estates Team deal with lease events and the repairs and maintenance of assets.

This report currently reflects a small reduction on revaluation. 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 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 Council 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 £72m funding agreement with Ashford International Development Company for the Development of Newtown 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 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 4: Total investment exposure

Total investment exposure	31.03.2023 Actual £'000	31.03.2024 Forecast £'000	31.03.2025 Forecast £'000
Treasury management investments	30,000	30,000	30,000
Service investments: Loans	46,469	48,869	99,362
Service investments: Shares	2,418	2,458	2,458
Commercial investments: Property	69,811	50,858	49,762
Total Investments	148,698	126,957	163,384
Commitments to lend	175,531	173,131	122,638
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 5: Investments funded by borrowing

Investments funded by borrowing	31.03.2023 Actual £'000	31.03.2024 Forecast £'000	31.03.2025 Forecast £'000
Service investments: Loans	46,469	48,869	99,362
Commercial investments: Property	60,301	59,713	58,998
Total Funded by Borrowing	106,770	108,582	158,360

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 2024/25 shows a negative return overall, this is due to higher borrowing costs, 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 6: Investment rate of return (net of all costs)

Appendix K

Investments net rate of return	2022/23 Actual	2023/24 Forecast	2024/25 Forecast
Service investments: Loans	2.43%	0.53%	0.25%
Service investments: Shares	0%	0%	0%
Commercial investments: Property	(1.8%)	(2.7%)	(8.9%)
All Investments	0.5%	(0.9%)	(4.0%)

Ashford Borough Council

Council Tax Discretionary Policy

Exceptional Circumstances Scheme (ECS) (13A 1A)

Discretionary Relief Scheme (13A 1C)

2024/2027

Introduction

This policy enables support to be given to council taxpayers who are in financial difficulty or other crisis where no other legislative discounts, reductions or reliefs are available.

This policy sets out guidelines for the factors to be considered in determining an application, the criteria that needs to be met and the type of information to be provided when a customer applies for a reduction in their council tax under Ashford Borough Council's discretionary powers.

It also sets out the delegated authority to award relief and establishes an appeals procedure for customers to appeal a decision. There are two ways the council can use its discretionary powers to give a reduction in council tax:

Exceptional Circumstances Policy (ECP)

The council recognises the importance of protecting our most vulnerable customers from the impact of changes to our Local Council Tax Reduction Scheme.

The Exceptional Circumstances Policy is designed to cover all or part of any shortfall between council tax liability and support under the council's Local Council Tax Reduction Scheme.

It is available to council taxpayers who are in receipt of Local Council Tax Reduction, or those who do not qualify and are experiencing exceptional financial difficulties.

The Exceptional Circumstances Scheme is funded through the collection fund under (S13A 1A) and is paid for by all preceptors in proportion to their share of council tax.

Discretionary Relief Scheme (13A 1C)

S13A(1)(c) of the Local Government Finance Act 1992 (as amended) provides powers to councils to reduce the amount of council tax a customer is liable to pay by an amount it deems appropriate to provide necessary relief, where exceptional financial difficulty is evidenced.

This power may be exercised in relation to individual cases, or by determining a class of case in which liability is to be reduced to an extent provided by the determination. The intent behind the legislation is to allow councils to create local discounts to cater for local circumstances, for example flooding, and to provide support in cases of exceptional financial hardship. Any reduction awarded under this provision is wholly funded by Ashford Borough Council. The exception to this is when central government uses this provision to provide grant funding for specific issues, e.g., flooding or the council's response to the COVID-19 pandemic.

Along with Discretionary Relief (13A 1C) debts may be written-off as a way of alleviating council tax arrears where exceptionally difficult financial circumstances can be demonstrated. Debts that are written off are shared by all precepting authorities in proportion to their share of council tax.

1. Exceptional Circumstances Scheme (ECS)

1.1 Customers who have made a claim for Local Council Tax Reduction and who have a shortfall, or no longer qualify for support, are entitled to make a claim for help through the Exceptional Circumstances Scheme (ECS).

1.2 Any customer can apply, awards will only be made to those residents who can demonstrate exceptional financial difficulty as a result. Whilst the definition of exceptional financial difficulty is not precisely defined in this policy, exceptional financial difficulty should be considered as difficulty beyond that which would normally be suffered and not awarding support would result in severe financial difficulty e.g., would leave insufficient money for basic and essential needs such as housing, food, heating, lighting, or essential medical needs.

1.3 Support offered will generally be short-term, whilst the customer seeks alternative solutions, but can provide longer term support where the customer is unable to improve their situation and will be subject to regular review.

1.4 A customer does not have a statutory right to support.

1.5 The operation of this policy is at the discretion of the council.

1.6 This policy only applies to council tax.

Eligibility

1.7 The council will consider applications for exceptional circumstances where:

- There is an outstanding council tax balance on the property they are resident in.
- A customer has made a claim for Local Council Tax Reduction, has experienced a shortfall in support, or does not qualify for support.
- There is compelling evidence of exceptional financial hardship.
- The liable person can demonstrate they have no available income to pay their council tax liability and no other occupants of the property could contribute towards the council tax liability.
- The liable person has taken all reasonable steps to improve their financial or exceptional personal circumstances e.g., increase household income or reduce outgoings.
- The liable person does not have access to assets or funds of any kind which could be used to meet their council tax liability.

- All alternative means of resolving the outstanding liability have been exhausted – this includes but not limited to discounts, exemptions, council tax support and valuation office/valuation tribunal application.

1.8 The council retains ultimate discretion, in accordance with the discretionary nature of the scheme, and requests will be considered on their individual merit.

1.9 Any support awarded will be short-term as opposed to long-term or ongoing.

1.10 Customers who are awarded a support will be notified that they need to report any changes in circumstances to the council that affects the relief period.

2. Discretionary Relief Scheme (13A 1C)

2.1 Section 13A (1)(a)(c) and (2) of the Local Government Finance Act 1992 (as amended) provides Ashford Borough Council with discretionary powers to enable it to reduce a person's council tax liability where existing legislation does not provide a discount, exemption, or reduction through the Discretionary Relief Scheme.

2.2 This policy is intended to enable the council to provide relief to those most in need and seeks to:

- alleviate poverty
- encourage and sustain people in employment and education
- sustain tenancies and preventing homelessness
- safeguard residents in their own homes
- help those who are trying to help themselves
- keep families together
- support the vulnerable or the elderly in the local community
- help customers through personal and difficult events

2.3 This policy is divided into two sections:

- Exceptional financial difficulty to assist council taxpayers who are suffering financial difficulty and unable to meet their council tax liability. This can apply to an individual household.
- Unforeseen and exceptional circumstances to assist council taxpayers who are suffering from unforeseen and exceptional circumstances and whom the council considers to be, in general, in financial need. This can apply to an individual household or class of cases

2.4 Discretionary awards can be given in respect of any chargeable dwelling within the district to:

- Individual council taxpayers.
- Groups of council taxpayers defined by a common set of circumstances.
- Council taxpayers within a defined area.
- All council taxpayers within the council's area.

2.5 The council may reduce the amount to pay to any amount between full liability down to nil.

2.6 A customer does not have a statutory right to a relief.

2.7 The operation of this policy is at the discretion of the council.

2.8 This policy only applies to council tax.

Eligibility

Financial difficulty

This policy ensures support is in place to aid residents who are experiencing financial difficulty by demonstrating they meet the full eligibility criteria and require further financial assistance.

2.9 The council will consider applications for discretionary relief where:

- There is an outstanding council tax balance.
- There is compelling evidence of extreme financial difficulty.
- The liable person can demonstrate they have no available income to pay their council tax liability and no other occupants of the property could contribute towards the council tax liability.
- The liable person has taken all reasonable steps to improve their financial or exceptional personal circumstances e.g., increase household income or reduce outgoings.
- The liable person does not have access to assets or funds of any kind which could be used to meet their council tax liability.
- All alternative means of resolving the outstanding liability have been exhausted – this includes but not limited to discounts, exemptions, council tax support, valuation office/valuation tribunal application.
- If this liability refers to a retrospective period, the customer can demonstrate and evidence the arrears did not accrue due to their wilful refusal to pay council tax or due to their culpable neglect to pay their council tax.

- The liable person can evidence that each of the criteria set out above existed for the entire period for which they wish to be considered for discretionary relief.
- Enforcing the full council tax liability would result in severe financial difficulty e.g., would leave insufficient money for basic and essential needs such as housing, food, heating, lighting, or essential medical needs.
- This list is not exhaustive and other relevant factors and special circumstances will be considered. When making any decision, officers will be mindful of any protected characteristics and the impacts these may have on the household. Unforeseen and exceptional circumstances This policy ensures support is in place to aid residents based on other unforeseen, exceptional circumstances, which are not caused by financial difficulty.

2.10 The council will consider applications for discretionary relief where:

- There is an outstanding council tax balance.
- There is compelling evidence of unforeseen and exceptional circumstances beyond the applicant's control such as, including, but not limited to flooding.
- All alternative means of resolving the outstanding liability have been exhausted – this includes but not limited to discounts, exemptions, council tax support, valuation office/valuation tribunal application.
- If this liability refers to a retrospective period, the customer can demonstrate and evidence the arrears did not accrue due to their wilful refusal to pay council tax or due to their culpable neglect to pay their council tax.
- The liable person can evidence that each of the criteria set out above existed for the entire period for which they wish to be considered for discretionary relief.
- The award would be considered fair and reasonable in the circumstances by the council taxpayers of the district.
- No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the council.
- This list is not exhaustive and other relevant factors and special circumstances will be considered. When making any decision, officers will be mindful of any protected characteristics and the impacts these may have on the household.

2.11 The council retains ultimate discretion, in accordance with the discretionary nature of the scheme, and requests will be considered on their individual merit.

2.12 Any relief awarded will be short-term as opposed to long-term or ongoing.

2.13 Customers who are awarded a relief will be notified that they need to report any changes in circumstances to the council that affects the relief.

3. Application process- complete the online application form.

3.1 A request for discretionary relief should be made using the discretionary relief application form by the customer, or by a party authorised by the customer.

3.2 If customers are applying due to financial difficulty, applicants will be required to provide details of income and expenditure.

3.3 Evidence requested in the application form should be provided with the application. If required evidence is not supplied, the application will not be considered until all evidence is received.

3.4 Following submission of an application, the council may also require further evidence depending on individual circumstances and will contact the applicant directly to request this.

3.5 Should the required evidence not be supplied within the requested timescales (from date of application or request of evidence), the application will be considered closed. In such circumstances, if an applicant still wishes their application to be considered, they will be required to apply again.

3.6 Applicants will normally be notified of a decision within 28-days of submitting a completed application. This notice will include the decision and the amount of relief to be awarded and the period the award relates to. The notification will include the reason for the decision and advise the applicant of their appeal rights.

3.7 Customers who have applied/are considering applying should continue to pay their council tax pending a decision. The council will not pause recovery action on unpaid council tax based on receipt of/or an intention to apply.

4. Amount, award, and period of relief

The amount of discretionary relief to be awarded will be at the council's discretion.

4.1 Any relief granted will be credited to a customer's council tax account and must not result in a credit balance on the council tax account.

4.2 Relief will only be granted on liability for the financial year in which the request is made, or for a prior period of up to 12 months. Relief will not be awarded for subsequent financial years, unless a new successful request is made for each year.

4.3 The council retains the right to withdraw relief at any time, including retrospective periods, where the applicant's circumstances have changed to the extent that the relief is no longer required.

4.4 The relief is normally considered to be a source of temporary assistance (no more than one financial year maximum) and is not intended to be given for long-term or indefinite periods.

4.5 A relief will not be awarded where the outstanding council tax has arisen because of fraud by the taxpayer, wilful refusal, or culpable neglect, or where the taxpayer has failed to provide information promptly.

4.6 Reliefs are not transferable where a change of address occurs.

5. Decision making

5.1 Awards above £100.00 must be authorised by the Revenues and Benefits Operations Manager.

5.2 Where a relief relates to a class or classes of case (for example, a group affected by the same circumstances, such as flooding) these will be determined through Director of Finance.

6. Changes in circumstances

6.1 By accepting an award, the customer agrees that he/she must inform the council about any changes in their circumstances which might affect the relief under this policy.

6.2 The council may revise any award based on a customer's change of circumstances.

6.3 Failure to report a change in circumstances may result in the withdrawal of an award for the year and the requirement to repay any outstanding amount to the council.

7. Recovery of relief

7.1 An award issued in line with this policy can be withdrawn together with the requirement to repay any outstanding amount to the council:

- If the relief was granted based on misrepresentation or failure to disclose a material fact, either fraudulently or otherwise.
- Because of the subsequent application of a national discount or adjustment in the banding by the Valuation Office Agency.
- Where a customer has failed to report a change in circumstances in a timely manner.

8. Reviews and appeals

8.1 Where an application is rejected, a customer can request the council reviews its decision.

8.2 Review requests should be received by the council within 21 days of the date of the original decision notice and should detail the reasons for the appeal.

8.3 Thereafter, an appeal can be made to the Valuation Tribunal where:

- the customer is notified in writing that the council reviewed its decision and customer remains unhappy with the decision.

9. Equalities

9.1 The council is committed to developing and delivering services in a way that ensures it treats people fairly and promotes equality of opportunity and social cohesion within the wider community.

9.2 This policy aims to give the fairest outcomes to everyone regardless of race, gender reassignment, age, disability, pregnancy and maternity, religion or belief, sex, or sexual orientation, marital or civil partnerships status and/or disability.

10. Funding

10.1 Any relief granted under Section 13A (1C) is financed through the council's general fund and do not form part of the collection fund. As such, any decision made under this policy is made having regard to our council taxpayers who will ultimately pay for a reduction in council tax income. In certain circumstances central government provides funding directly to the council to compensate for specific events, such as severe flooding. Where this is available, the council will aim to use all the funding available.

10.2 Any support awarded under the Exceptional Circumstances scheme are financed through the collection fund and is paid for by all preceptors in proportion to their share of council tax. As such, any decision made under this policy is made having regard to our council taxpayers and partner authorities who will ultimately pay for a reduction in council tax income.

11. Fraud

11.1 The council is committed to protecting public funds and ensuring funds are only awarded to the people who are rightfully eligible to them.

11.2 An applicant who tries to fraudulently claim a relief 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.

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

12. Protecting your data

12.1 The council is committed to protecting customers' data and the operation of this policy complies fully with the General Data Protection Regulation 2016 (GDPR) and Data Protection Act 2018 (DPA2018) which place a duty on the Council to comply with the data protection principles relating to processing of personal data:

- Lawfulness, fairness and transparency.
- Purpose limitation.
- Data minimisation
- Accuracy.

- Storage limitation.
- Integrity and confidentiality (security).
- Accountability (including the rights of data subjects)

2024/25 Budget Report

The following table represents risks to the 2024/25 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.

Appendix M

To help summarise the strategies each risk will be referenced using one of the four 'T's, **Treat** (how do we manage the risk to an acceptable level), **Terminate** (can we stop doing the activity), **Tolerate** (accept the risk) and **Transfer** (transfer risk to another party, usually through insurance).

Budget Component		Financial standing and management
1. Ashford Port Health Authority	Tolerate	<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 facility is meant to start operating in January 2024. Once the service is up and running it is anticipated to be self-funding through the charging of fees.</p> <p>The costs are currently being underwritten by Government and the Council allocates a proportion of central overheads accordingly. Should the facility not progress as expected, there is a risk that more costs will be transferred back to the general fund, equally if the service requirement expands, there can be a greater sharing of costs.</p> <p>The risk would be Tolerated, as it is not ABC's decision on what's going to happen with Ashford Port Health Authority.</p>

<p>2. Government Spending Review</p>	<p>Tolerate /Treat</p>	<p>The budget was based on the two year government funding settlement.</p> <p>Resources received continue to grow less compared to cost of inflation over the last year leaving the Council with less money for its services.</p> <p>After the Government Spending announcement on 19 December 2023, Ashford has received more funding than it was expected in the draft budget. The change came from New Homes Bonus which increased by £447,000 and the 3% Funding Guarantee which has been increased to 4% this is an additional £420,000 increase compared to the draft budget whilst the Lower Tier Service Grant was discontinued reducing the forecast by £117,000. These changes have been incorporated within the final budget report.</p> <p>For the future it is largely believed by professional commentators that the overall settlement for Councils over the last few years had been fairly generous (despite being below inflation) and that moving forward funding will be tight so likely to be even less funding for Councils which will add further pressure.</p> <p>The Government Spending review risk should be Tolerated as it is up to the central government to decide upon the funding is being distributed, however the risk could also be Treated to a degree when setting up the Council Tax, as this is part of the CSP calculation government takes into consideration when deciding the funding for each authority.</p>
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<p>3. Pressure on the 2023/24 Budget and impact going forward.</p>	<p>Tolerate / Treat</p>	<p>Homelessness is a statutory responsibility for the Council, this area has been under increasing pressure for a number of years, with a record high number of people in temporary housing due to the financial pressures households have been facing, and the position is not expected to improve any time soon.</p> <p>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.</p> <p>In addition, the team are focussing more on prevention and are investigating a number of options for developing further bespoke homeless accommodation.</p> <p>Financially the 2024/25 budget has been increased by £900,000, to allow for the Council to cover the pressure in this service. 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.</p> <p>Since the draft budget has been set in October 2023 there have been further changes to the homeless budget forecasts. The original budget used an average number of 178 household, however it is now forecast that the household number for the calculation should be 220 households, broadly representing the middle ground of three scenarios. This means that the budget for homelessness is proposed to be increased by a further £445,000.</p> <p>Planning And Development</p> <p>The general economic climate and Stodmarsh nutrient mitigation issue have been putting pressure around the income generated through planning fees. This is notable within the major applications which have seen the biggest drop in 2023/24.</p> <p>Central government has started looking at a legislative solution, as nutrient neutrality issues are restricting a considerable amount of development across the Country.</p> <p>If however this remains unresolved there is a risk that planning fee income will continue to be impacted.</p> <p>Environment, Property and Recreation</p>
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Appendix M

		<p>High inflation remains a risk to the cost of the waste collection contract. Also financial pressures on households could see a reduction in discretionary services such as waste bins and bulk collections.</p> <p>Building Maintenance costs, such as Edinburgh Road car park, the leisure centres and the tree work 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 2023/24, however any unanticipated spend in 2024/25 will be a risk to the budget.</p> <p>Rent income at Elwick place is lower than anticipated, and with the squeeze on people's finances, increase in business rates and general economic pressures it is possible that this trend will continue and more businesses will struggle. Officers are continuing to monitor this and will keep members informed accordingly.</p> <p>Some of the risks identified above would be Tolerated like: increase number of homeless, Stodmarsh, increase costs of the waste contract; however others could be Treated like: increase budget to help prevent homeless, proactively find businesses for the Elwick place.</p>
4. Stodmarsh	Tolerate	<p>There is a risk that the restrictions placed will cause a drop in property completions coming forward that will impact new Council Tax Growth and planning fee income.</p> <p>However in the past few months Government has been involved trying to find a solution and it is expected that they will try to unlock developments across the country that are captured by the nutrient mitigation issue.</p> <p>The Council is continuing to explore solutions for releasing nutrient neutrality credits for its own developments with local solutions.</p> <p>Until there is a clear view from the Government this risk should be Tolerated.</p>

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<p>5. Planning fees</p>	<p>Treat</p>	<p>From 6 December planning fees for major applications will increase by 35%, while medium and minor applications will increase by 25%. The Government is also amending the 'Planning Guarantee' so that non-major applications will need to be determined no later than 16 weeks after being validated or applicants will be eligible to have their application fees returned (unless an Extension of Time to determine the application has been agreed with them).</p> <p>There is the risk that where an 'Extension of Time' cannot be agreed, this may result in a need to refuse an application in order to avoid the risk of a 'Planning Guarantee' request. This may then lead to an increase in the number of planning appeals which itself would add to the workload of the Service and/or have a budgetary pressure if external specialist support were required to support the Council's position. Performance indicators will be closely monitored to establish any trend data once the new fees and Planning Guarantee rules come into force.</p> <p>The risk would be Treated by putting in place appropriate measures to ensure applications are dealt within their deadline or an Extension of time is sought.</p>
<p>6. Transformation, digitalisation and commercialisation</p>	<p>Tolerate</p>	<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>Managing growth is key focus as the Council looks to balance the MTFP over the long term, enabling the Council to do more with less through efficient practices.</p> <p>This risk would be Tolerated.</p>

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<p>7. Assumptions about increases in service income.</p>	<p>Tolerate / Treat</p>	<p>For budget setting purposes income has been increased by an average of 5%, for legislative reasons or demand some charges will be lower or higher than this.</p> <p>Garden waste collection service will increase to £60, this increase is to cover increased costs in the new refuse collection contract that becomes operational on 27 March 2024.</p> <p>Planning application fees are expected to increase 35% for major applications and 25% for medium and minor applications.</p> <p>The proposed fees and charges are presented in detail as part of the final budget report. Any amendments to the proposals may involve a slight risk to the budget.</p> <p>Tolerate the risk of losing customers by increasing prices, but you could also Treat by putting in place appropriate measures to ensure applications are dealt with their deadline.</p>
<p>8. Housing Revenue Account</p>	<p>Tolerate / Treat</p>	<p>The HRA Business Plan, which was presented on 30 November, has a number of priorities including decarbonisation and a number of projects to build more homes in the borough.</p> <p>The business plan is affordable although the current economic climate is impacting borrowing costs and development costs. This pressure is partly offset by a rent increase is recommended to be 7.7% in line with the Government Formula which has been confirmed.</p> <p>The Major Works budget includes an additional £5m which will be used to address the repairs backlog, as well as any issues arising from the Stock Condition Survey. There is also the risk that there could be significant changes regarding the mould regulations that would impact the priority of the repairs that would need doing to those properties affected by mould.</p> <p>Regular updating of the HRA business plan to include new projects and financial monitoring will occur during 2024/25.</p> <p>To some degree some of the risks would have to be Tolerated like the rent increase of 7.7% which can't be put up higher, however some risks can be Treated by taking decisions within the Business Plan.</p>

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<p>9. Estimates of the level and timing of capital receipts.</p>	<p>Tolerate / Treat</p>	<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 the current economic conditions.</p> <p>The majority of RTB receipts need to be held to fund affordable housing (funds 40% 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 within the 5 year period to avoid repayment. These funds are currently being spent well in advance of need in support of the on street housing programme.</p> <p>The risk on capital receipts should be Tolerated, but could be Treated by the action taken on how these are being spent.</p>
<p>10. Major Capital Projects</p>	<p>Tolerate / Treat</p>	<p>There is a risk to projects of a capital nature at present as high inflation is 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 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> <p>The risk should be Tolerated, as there is nothing ABC could do about inflationary increases, but it also can be Treated by the decisions taken before a major capital project.</p>

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11. Business Rates	Tolerate	<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 are likely to affect the overall level of rateable value within the borough.</p> <p>The Valuation Office have undergone a re-valuation exercise, it is likely that the number of appeals will increase as a result of this, assumptions for this have been built into budget.</p> <p>At the time of writing, it is unknown what impact, if any the Autumn Statement will have on businesses, who are already feeling the impact of the increase in the cost of living. Any further pressure may result in an increase in Business Rate arrears, or in the closure of some businesses which will further impact the income to councils.</p> <p>The Business Rate baseline reset although not affecting 2024/25 budget represents a great risk to the Council's income in the future years. This risk has been discussed in more detail within the MTFP which was presented to Cabinet in October 2023.</p> <p>This risk would be Tolerated, as it is outside of ABC's decision power.</p>
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<p>12. Inflation, Interest Rate and Pay Award</p>	<p>Tolerate / Treat</p>	<p>In November 2022 the inflation rate was 11.1%, although this has slowly declined to 6.7% in September 2023 is expected to fall back to the 2% target towards the end of 2024.</p> <p>On-going geo-political tensions including the war in Ukraine and Gaza are likely to influence the prices globally.</p> <p>In the UK the high inflation has created a costs of living crises that is squeezing household incomes.</p> <p>What does rising inflation mean for the Council:</p> <p>Increase in people needing temporary accommodation or becoming homeless.</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.</p> <p>Reduced demand for Council discretionary services, such 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 and as at November 2023 this stands at 5.25% with Bank of England freezing the interest rate during its last 3 meetings.</p> <p>Inflation is a factor that needs to be managed carefully within any financial planning regime. Inflation is still above the Bank of England's (BOE) 2% target.</p> <p>The draft budget assumes interest rate at 5.75%. As a net borrower the Council is exposed to interest rate risk on its borrowing portfolio.</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.</p> <p>Pay – the draft budget has made an overall allowance of 5.7% for pay, this is 5% cost of living, 0.7% for increments.</p>
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		<p>Increments were forecast to be 0.7% in the MTPF which is in line with historical averages.</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> <p>Inflation risk and interest risk should be Tolerated, although the interest risk to a degree can be Treated, by fixing the interest rate of ABC's borrowings for example.</p>
<p>13. Kent County Council financial position</p>	<p>Tolerate</p>	<p>Kent County Council (KCC) is going through financial difficulties which will see the County Council looking into the services it provides to the County.</p> <p>As a result of the cuts the Council could receive direct cuts in funding, i.e. waste contribution, or services within Ashford, such as libraries, bus routes and contributions to the voluntary sector. This could create a direct funding pressures for the Council, but also Members and Officers may receive more call for financial assistance from worthy organisations and members of the public looking to replace lost funding or services previously provided by KCC.</p> <p>Given the Councils own financial challenges Members and Officers will have to be mindful of where statutory responsibility rests and benefits of services when considering applications/request for support, and ultimately what other service/provision currently being provided would need to be cut to balance the books.</p> <p>There isn't much ABC can do with regards to KCC situation therefore the risk should be Tolerated.</p>

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14. Picturehouse	Treat	<p>ABC has decided to step in and take over the management of Ashford Picturehouse at Elwick Place after the current owner is going out of the current lease.</p> <p>The decision was taken to keep the cinema open to allow time to develop a proposal to put to the market for a new operator and it would be a stronger proposition with an open cinema. In addition maintaining the operation supports the activity in the town centre.</p> <p>The financial implications for taking over the Picturehouse cannot be fully quantified at the moment, and have not been reflected in the final budget. The initial advice is that this is the better option. Should there be any losses these would be covered from the Strategic Investment and Property Risk reserve.</p> <p>The risk should be Treated as it is within ABC's decision on how it wants to move this in the future.</p>
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Second Home and Empty Home Council Tax Premiums

From 1 April 2025, billing authorities will be given the ability to add a Council Tax premium to second homes. Billing authorities will also be given the ability to amend existing long term empty home Council Tax premiums from 1 April 2024.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below to ensure income to the Council is maximised whilst giving consideration to the borough's Council Tax payers, ensuring they are treated in a reasonable and consistent manner.

RECOMMENDATIONS:

Cabinet is asked to:

1. To recommend to Full Council to introduce a Council Tax premium to second homes from the 2025/26 financial year onwards.
2. To recommend to Full Council to adopt the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards as demonstrated in Table 2.

1. BACKGROUND

- 1.1 In February 2019 Council resolved to adopt new Council Tax empty home premiums in accordance with changes in legislation from the 2019/20 financial year onwards.
- 1.2 These premiums were introduced as agreed at the rates and introduction dates listed in Table 1.

Table 1

Introduction date	Premiums that can be applied
1 April 2019	100% premium for properties empty 2 years +
1 April 2020	100% premium for properties empty 2 – 5 years 200% premium for properties empty 5 years +
1 April 2021	100% premium for properties empty 2 – 5 years 200% premium for properties empty 5 – 10 years 300% premium for properties empty 10 years +

- 1.3 Latest figures shows that there are currently 39 properties attracting a 100% premium, 12 properties attracting a 200% premium and 7 properties attracting a 300% premium.

- 1.4 In the Levelling-up and regeneration bill dated May 2022 Government announced an amendment to the Long-Term empty dwellings (England) legislation providing Councils discretion to apply a premium of up to 100% of the Council Tax charge on those properties that have been empty for more than two years to be amended to apply to properties that have been empty for one year rather than two. This provision was introduced by Central Government as a tool to assist local authorities in the drive to bring empty properties back into use. This bill received Royal Assent on 27 October 2023.
- 1.5 The Levelling-up and regeneration bill also introduced new legislation relating to dwellings occupied periodically. This relates to properties that are classed as 'second homes'. This provides Councils discretion to apply a premium of no more than 100% to qualifying properties.

2. EMPTY HOMES PREMIUM AMENDMENTS

- 2.1 Amendments will allow Councils to introduce the premium for empty homes a year earlier than existing agreements; substituting 2 years for 1 year for the empty premium:

Table 2

Introduction date	Existing premiums	Premiums that can be applied
1 April 2024	100% premium for properties empty 2 years +	100% premium for properties empty 1 years +

- 2.2. The amendments have an impact for financial years beginning on or after 1 April 2024 and it does not matter if the start date of the property being empty is before this comes into force.
- 2.3 It is expected that by reducing the time a property in empty the premium will allow local authorities to strengthen the incentive for owners of empty homes to bring them back into use.
- 2.4 No public consultation is required to introduce this change.
- 2.5 Liable parties will be able to appeal via standard Council Tax appeal routes if they disagree with the applying of a premium on an account based upon facts of an individual case, for example, they state that the property is not empty. The principle of a premium will not be open to appeal.

3. SECOND HOMES PREMIUM INTRODUCTION

- 3.1 Under existing legislation properties classed as second homes have a full charge (100%) and there are no discounts or premiums in place.
- 3.2 By introducing a premium on these properties, it is expected that properties that are not in constant use may be encouraged to be brought back into use for local residents. It would also remove potential loopholes regarding empty homes where an owner could furnish a property to remove it from the list as being classed as an empty home to avoid the premiums that this can attract.
- 3.3 There is no minimum timeframe on this premium and if the premium is agreed any property classed as a second home would attract the premium with effect from 1 April 2025.
- 3.4 The conditions are that there is no resident of the dwelling, and the dwelling is substantially furnished. A billing authority's first determination under this section must be made at least one year before the beginning of the financial year to which it relates.
- 3.5 Taxpayers affected by the changes will be notified prior to the 1 April 2025 so they may make changes to the property before they are impacted by the changes.
- 3.6 It is recognised that some taxpayers may consider moving properties into Non-Domestic rating due to letting legislation to avoid a premium. This will be monitored by the Council and cases investigated as appropriate.
- 3.7 All recommendations are subject to consideration of a government consultation regarding exceptions to the premium. It is recommended that as part of the decision to introduce any new or amendments to a premium that delegation can be made to the Council's Section 151 officer in consultation with the Portfolio Holder responsible for Finance with regards to finalising a policy to be introduced with consideration to any passed exceptions, once announced.

4. FINANCIAL IMPLICATIONS

- 4.1 Table 3 illustrates the estimated financial impact the additional properties that would be impacted if introduced in April 2024. Please note these figures are based on 2023/24 Council Tax rates and upon Council records as at 25 January 2024.

Table 3: Projection of empty homes premium changes

	Accounts	Average Council Tax charge*	100% premium charge value	Total chargeable (accounts x total charge)	ABC Benefit
2024/25 projection	40	£2,047.18	£2,047.18	£81,887	£7,299

**Based upon Council Tax Band D average*

4.2 Table 4 demonstrates the potential impact of introducing the second homes premium. The figures below are provided upon Council records as at 25 January 2024.

Table 4: 100% Council Tax Premium yield on second homes based on latest figures

	Accounts	Average Council Tax charge*	100% premium charge value	Total chargeable (accounts x total charge)	ABC Benefit
2025/26 projection	573	£2,047.18	£2,047.18	£1,173,034	£104,564

**Based upon Council Tax Band D average*

4.3 Indicative rates above are based on 100% collection. The Council is aware that not all cases will yield 100% collection in year.

5 MANDATORY PROCESS

5.1 A full Council resolution is required to introduce the amendments detailing exemptions and agreements of introduction dates and premium amounts.

5.2 A policy will be published, mindful of guidance once published by government and in consideration of the outcomes of the government consultation on possible exceptions.

5.3 Final decisions must be passed by 31 March 2024 to be able to introduce any changes from 1 April 2024 for Empty Homes premium changes, and from 1 April 2025 for the introduction of a Second Home premium.

Following any formal decision to change, publication of the change must be published in the local press within 21 days of the date of the determination.