

Council Offices  
Argyle Road  
Sevenoaks  
Kent  
TN13 1HG



Despatched: 08.02.16

I hereby summon you to attend the meeting of the Sevenoaks District Council to be held in the Council Chamber, Council Offices, Argyle Road, Sevenoaks commencing at 7.00 pm on 16 February 2016 to transact the under-mentioned business.

Chief Executive

## AGENDA

### Apologies for absence

1. To approve as a correct record the minutes of the meeting of the Council held on 3 November 2015 (Pages 1 - 6)
2. To receive any declarations of interest not included in the register of interest from Members in respect of items of business included on the agenda for this meeting
3. Chairman's Announcements
4. To receive any questions from members of the public under paragraph 17 of Part 2 (The Council and District Council Members) of the Constitution.
5. To receive any petitions submitted by members of the public under paragraph 18 of Part 2 (The Council and District Council Members) of the Constitution.
6. Matters considered by the Cabinet and/or Scrutiny Committee
  - a) Calculation of Council Tax Base and other tax setting issues (Pages 7 - 18)
  - b) Treasury Management Strategy 2016/17 (Pages 19 - 60)
  - c) Budget and Council Tax Setting 2016/17 (Appendices J to M to follow) (Pages 61 - 112)
7. Matters considered by other standing committees
  - a) Revised Draft Taxi and Private Hire Licensing Policy (Pages 113 - 218)

- b) Local Government (Miscellaneous Provisions) Act 1982: Licence Fees 2016/2017 (Pages 219 - 224)
  - c) Gambling Act 2005: Licence Fees 2016/2017 (Pages 225 - 232)
  - d) Monitoring Officer's Annual Report (Pages 233 - 254)
8. To consider the following reports from the Chief Executive or other Chief Officers on matters requiring the attention of Council:
- a) Pay Policy Statement (Pages 255 - 266)
  - b) Calendar of meetings (Pages 267 - 270)
9. To consider any questions by Members under paragraph 19.3 of Part 2 (The Council and District Council Members) of the Constitution, notice of which have been duly given.
10. To consider any motions by Members under paragraph 20 of Part 2 (The Council and District Council Members) of the Constitution, notice of which have been duly given.
11. To receive the report of the Leader of the Council on the work of the Cabinet since the last Council meeting. (Pages 271 - 272)

#### EXEMPT ITEMS

(At the time of preparing this agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public.)

**DISTRICT COUNCIL OF SEVENOAKS**

Minutes of the Meeting of the Sevenoaks District Council  
held on 3 November 2015 commencing at 7.00 pm

Present: Cllr. McGarvey (Chairman)

Cllr. Raikes (Vice-Chairman)

Cllrs. Abraham, Mrs. Bayley, Ball, Barnes, Bosley, Mrs. Bosley, Brookbank, Brown, Dr. Canet, Clack, Clark, Dickins, Dyball, Edwards-Winsler, Esler, Eyre, Firth, Fleming, Grint, Halford, Hogarth, Hogg, Horwood, Mrs. Hunter, Kelly, Kitchener, Krogdahl, Lake, Layland, Lindsay, Lowe, Maskell, McArthur, Mrs. Morris, Parkin, Parson, Pett, Piper, Purves, Reay, Scholey, Searles, Ms. Tennessee, Thornton and Williamson

Apologies for absence were received from Cllrs. Cooke, Gaywood, London, McGregor, Pearsall, Rosen and Miss. Stack.

71. To approve as a correct record the minutes of the meeting of the Council held on 21 July 2015

Resolved: That the Minutes of the meeting of the Council held on 21 July 2015 be approved and signed as a correct record.

72. To receive any declarations of interest not included in the register of interest from Members in respect of items of business included on the agenda for this meeting

No further declarations of interest were received.

73. Chairman's Announcements

The Chairman reiterated his apologies for missing the last Full Council meeting in July, and was grateful to Cllr Raikes for deputising. He was pleased to announce that the Law Society had recently awarded the in-house Legal Section "Excellence in legal practice management and client care"; and that due to the efforts of the Countryside Ranger, Ray Froud, and David Boorman, working with Department of Environment, Food and Rural Affairs (DEFRA) and the Forestry Commission, extensive felling and coppicing works at Farningham Woods appeared to have prevented the spread of the Oriental Chestnut Gall wasp, which, if allowed to spread, would have been devastating to the chestnut population in the UK.

The Chairman further announced that the Council's HERO scheme (Housing Energy and Retraining Options) had been commissioned by Dartford Borough Council with two surgeries each week. The scheme was fully funded by income and a little external funding.

Finally, with Council's agreement, he would take agenda item 6 (c) after item 11.

## Agenda Item 1

**Council - Tuesday, 3 November 2015**

74. To receive any questions from members of the public under paragraph 17 of Part 2 (The Council and District Council Members) of the Constitution.

No questions had been received.

75. To receive any petitions submitted by members of the public under paragraph 18 of Part 2 (The Council and District Council Members) of the Constitution.

No petitions were received.

76. Matters considered by the Cabinet

- a) Christmas Parking 2015

Councillor Fleming proposed and Councillor Dickins seconded the recommendations from Cabinet. The report sought authorisation for the cost of funding for the agreed free concessionary parking at Christmas 2015 be met from Supplementary Estimates.

Resolved: That the cost of funding free parking for two Saturdays at Sevenoaks and Westerham, 12 and 19 December 2015 preceeding Christmas, be met from Supplementary Estimates.

- b) Senior Management Restructure

Councillor Fleming proposed and Councillor Lowe seconded the recommendations from Cabinet. The report set out a proposal for a restructure of the Council's senior management as part of the Council's efforts to deliver on its vision and promises to the community, to meet future challenges and to support the Council in delivering the savings required to achieve a 10 year balanced budget that was self-sufficient and no longer reliant on direct financial support from central Government.

Resolved: That

- a) the proposed senior management structure as set out in Appendix A to the report, be approved;
- b) the new senior management structure take effect from 1 April 2016;
- c) the posts of Chief Housing Officer and Chief Officer Legal & Governance be deleted from the end of May 2016 following offers of voluntary redundancy from the post holders;
- d) the post holder of the Head of Legal & Democratic Services role be appointed as Monitoring Officer, effective from 1 April 2016;
- e) the appointment of the Chief Finance Officer as section 151 Officer, be effective from 1 April 2016; and
- f) authority be delegated to the Monitoring Officer to make the necessary consequential changes to Part 13 of the Constitution entitled "Officer Responsibilities and Delegations" in order to take account of the changes in senior management set out within the report.

77. Matters considered by other standing committees

- a) Feedback and approval of Statement of Licensing Principles for Gambling Act 2005

Councillor Fleming proposed and Councillor Mrs. Morris seconded the recommendations from Licensing Committee.

Resolved: That the revised policy be adopted.

- b) Appointment of Deputy Electoral Registration Officer and Returning Officer for Parish Polls

Councillor Fleming proposed and Councillor Pett seconded the recommendations from the Governance Committee.

Resolved: That

- a) the Chief Officer for Corporate Support be appointed Deputy Electoral Registration Officer for the Sevenoaks District Council, and
- b) the Chief Executive be appointed as Returning Officer for any polls held under the Parish and Community Meetings (Polls) Rules 1987.

78. To consider the following reports from the Chief Executive or other Chief Officers on matters requiring the attention of Council:

- a) Membership of Committees and Outside Organisations

It was moved by Councillor Fleming, seconded by Councillor Firth and

Resolved: That

- a) Cllr McArthur be appointed to the Audit Committee; and
- b) Cllr Lowe be replaced by Councillor Mrs Bosley on the Sevenoaks Leisure Board of Trustees.

- b) Employment Stability Policy

It was moved by Councillor Fleming, seconded by Councillor Lowe and

Resolved: That the Employment Stability Policy be adopted.

- c) Local Council Tax Support Scheme 2016/17

It was moved by Councillor Fleming, seconded by Councillor Searles and

## Agenda Item 1

**Council - Tuesday, 3 November 2015**

Resolved: That, as resolved by Council on 27 November 2012, Members approve that from 1 April 2016 all residents of working age receive a deduction on the amount of council tax support they are entitled to, calculated in accordance with the Council's local council tax support scheme, of 18.5%.

79. To consider any questions by Members under paragraph 19.3 of Part 2 (The Council and District Council Members) of the Constitution, notice of which have been duly given.

No questions had been received.

80. To consider any motions by Members under paragraph 20 of Part 2 (The Council and District Council Members) of the Constitution, notice of which have been duly given.

No motions had been received.

81. To receive the report of the Leader of the Council on the work of the Cabinet since the last Council meeting.

The Leader of the Council reported on the work that he and the Cabinet had undertaken in the period 6 July to 23 October 2015.

82. Matters considered by Cabinet:

- c) Development of Sennocke & Bradbourne Car Parks

Councillor Fleming proposed and Councillor Lowe seconded the recommendations from Cabinet. The report sought approval to develop the Sennocke Car Park and Bradbourne Car Park sites to provide a branded hotel and additional car parking capacity.

It was moved by the Chairman and

Resolved: That, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the ground that likely disclosure of exempt information was involved as defined by paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) as identified in Schedule 12A to the Local Government Act 1972.

Members discussed the information contained within the confidential appendices.

Resolved: That

- a) the proposed schemes be proceeded with;
- b) a Development Management Agreement and Agreement for Lease be entered into with the preferred Development Management Consultant and preferred Hotel Operator on the terms outlined in the confidential Appendix D to the report; and

- c) the development is in the public interest and therefore the land be appropriated for planning purposes in accordance with Section 122 of the Local Government Act 1972 and subject to the powers provided by Section 237 of The Town and Country Planning Act 1990.

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**Item 6 (a) - Calculation of Council Tax Base and other tax setting issues**

The attached report was considered by Cabinet, relevant minute extract below

Cabinet - 14 January 2016 (Minute 60)

The Portfolio Holder for Finance presented the report for Members consideration, advising that as part of the budget cycle the calculation of the council tax base of the district was required for tax setting purposes for the coming financial year and had to be approved by Cabinet and Full Council. The tax base was determined by converting all property and occupancy data to the equivalent number of band D properties and the figure was used to calculate the band D charge. He pointed out that the figures in the report were not the amounts of council tax that residents would pay, but the number of taxable properties.

The report showed that the current tax base for 2015/16 was 48,209 and the tax base for 2016/17 would be 48,896. The number of dwellings on the Valuation List had increased from 49,082 to 49,279. A collection rate of 99.4% had been included which was a small increase over that used in 2015/16.

The report also set out the timetable leading up to setting the council tax for 2016/17.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be **recommended to Council** that:

- a) the report of the Chief Finance Officer for the calculation of the Council's tax base for the year 2016/17 be approved;
- b) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2016/17 shall be 48,895.68;
- c) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2016/17 for the calculation of local precepts shall be:

## Agenda Item 6a

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,407.77
Badgers Mount	330.21
Brasted	783.17
Chevening	1,443.79
Chiddingstone	599.08
Cowden	416.68
Crockenhill	646.70
Dunton Green	993.01
Edenbridge	3,462.90
Eynsford	924.22
Farningham	638.94
Fawkham	283.79
Halstead	759.02
Hartley	2,510.65
Hever	599.68
Hextable	1,645.57
Horton Kirby & South Darent	1,277.09
Kemsing	1,816.83
Knockholt	619.96
Leigh	803.25

Otford	1,664.06
Penshurst	835.26
Riverhead	1,232.06
Seal	1,193.50
Sevenoaks Town	9,225.61
Sevenoaks Weald	613.40
Shoreham	677.81
Sundridge	921.84
Swanley	5,308.16
Westerham	1,957.48
West Kingsdown	2,304.19

- d) any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting shall not be treated as special expenses for the purposes of section 35 of the Local Government Finance Act 1992.

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**CALCULATION OF COUNCIL TAX BASE AND OTHER TAX SETTING ISSUES**

**Council - 16 February 2016**

Report of the: Chief Finance Officer

Status: For Decision

Also considered by: Cabinet - 14 January 2016

Key Decision: No

**Executive Summary:**

This report sets out details of the calculation of the District’s tax base for council tax setting purposes. These figures are used to determine tax rates for each of the council tax bands once the Council’s budget requirement is known. The report also advises Members of the timetable for setting the 2016/17 council tax.

**This report supports the Key Aim of efficient management of the Council’s resources.**

**Portfolio Holder** Cllr. Searles

**Contact Officer** Roy Parsons, Principal Accountant Ext 7204

**Recommendation to Cabinet:** That it be recommended to Council that:

- (a) the report of the Chief Finance Officer for the calculation of the Council’s tax base for the year 2016/17 be approved;
- (b) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2016/17 shall be 48,895.68;
- (c) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2016/17 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,407.77
Badgers Mount	330.21

## Agenda Item 6a

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Brasted	783.17
Chevening	1,443.79
Chiddingstone	599.08
Cowden	416.68
Crockenhill	646.70
Dunton Green	993.01
Edenbridge	3,462.90
Eynsford	924.22
Farningham	638.94
Fawkham	283.79
Halstead	759.02
Hartley	2,510.65
Hever	599.68
Hextable	1,645.57
Horton Kirby & South Darent	1,277.09
Kemsing	1,816.83
Knockholt	619.96
Leigh	803.25
Otford	1,664.06
Penshurst	835.26
Riverhead	1,232.06
Seal	1,193.50
Sevenoaks Town	9,225.61
Sevenoaks Weald	613.40
Shoreham	677.81
Sundridge	921.84
Swanley	5,308.16
Westerham	1,957.48
West Kingsdown	2,304.19

- (d) any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting shall not be treated as special expenses for the purposes of section 35 of the Local Government Finance Act 1992.

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**Recommendation to Council:** That the various calculations detailed above be approved.

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**Reason for recommendations:** As part of the tax setting process for 2016/17, the Council needs to formally approve the tax base at individual town and parish level as well as for the District as a whole.

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### Introduction and Background

- 1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992, made under powers of the Local Government Finance Act 1992, specify formulae for calculating the council tax base which must be set between 1 December and 31 January.
- 2 The council tax base is a measure of the number of dwellings to which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating a billing authority's and other precepting authorities' band D council tax.
- 3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the Council's estimated collection rate for the year.
- 4 The Council is required to calculate a tax base figure for the Department for Communities & Local Government (DCLG). This is based on the valuation list as at 14 September 2015 and occupancy information at 5 October 2015. The tax base for tax setting purposes is based on information available in December 2015. In addition, other factors may be taken into account to reflect likely changes to the tax base during 2016/17. These factors include:-
  - An allowance for changes in the amount of disabled relief
  - An allowance for changes in the number of exempt properties
  - An estimate of the number of new properties liable to council tax
  - An estimate of the number of properties ceasing to be liable to council tax
  - An allowance for changes in the number of single person discounts
  - An allowance for the effect of appeals by taxpayers on the banding of their properties
- 5 It has always been the practice to assume that these items will be self-balancing and hence no adjustment to the overall tax base was made other than the usual allowance for non-collection. Over the last few years the tax base has been rising due to new properties being built. However, the rate of increase is not significant enough to warrant a change from the self-balancing assumption.

## Agenda Item 6a

### Detailed Tax Base Calculations

- 6 The current year's tax base calculation assumes a 99.3% collection rate, which also allows for some movement in the items mentioned in Paragraph 4. Having assessed previous years' collection rates plus the effect of changes to council tax support, it is considered prudent to change the collection rate to 99.4% for 2016/17.
- 7 The second column of the table below sets out the number of band D equivalents based on the valuation list and occupancy information at 1 December 2015 for each parish, together with a summary for the District. The figures are then subjected to the collection rate adjustment in column 3 to arrive at the tax base for council tax setting purposes appearing in column 4. The corresponding figures for 2015/16 appear in column 5.

<u>(1)</u> <u>Parish</u>	<u>(2)</u> <u>Band D</u> <u>Equivalents</u>	<u>(3)</u> <u>Collection</u> <u>Rate</u> <u>Multipliers</u>	<u>(4)</u> <u>Tax base</u> <u>2016/17</u>	<u>(5)</u> <u>Tax base</u> <u>2015/16</u>
Ash-cum-Ridley	2,422.30	0.994	2,407.77	2,381.61
Badgers Mount	332.20	0.994	330.21	329.08
Brasted	787.90	0.994	783.17	765.50
Chevening	1,452.50	0.994	1,443.79	1,433.69
Chiddingstone	602.70	0.994	599.08	586.47
Cowden	419.20	0.994	416.68	406.93
Crockenhill	650.60	0.994	646.70	632.84
Dunton Green	999.00	0.994	993.01	901.64
Edenbridge	3,483.80	0.994	3,462.90	3,446.21
Eynsford	929.80	0.994	924.22	910.78
Farningham	642.80	0.994	638.94	610.40
Fawkham	285.50	0.994	283.79	280.52
Halstead	763.60	0.994	759.02	748.62
Hartley	2,525.80	0.994	2,510.65	2,477.44
Hever	603.30	0.994	599.68	593.81
Hextable	1,655.50	0.994	1,645.57	1,634.97
Horton Kirby & South Darent	1,284.80	0.994	1,277.09	1,255.25
Kemsing	1,827.80	0.994	1,816.83	1,798.82
Knockholt	623.70	0.994	619.96	616.16
Leigh	808.10	0.994	803.25	809.10



Otford	1,674.10	0.994	1,664.06	1,664.07
Penshurst	840.30	0.994	835.26	823.30
Riverhead	1,239.50	0.994	1,232.06	1,218.41
Seal	1,200.70	0.994	1,193.50	1,165.48
Sevenoaks Town	9,281.30	0.994	9,225.61	9,055.46
Sevenoaks Weald	617.10	0.994	613.40	609.80
Shoreham	681.90	0.994	677.81	661.34
Sundridge	927.40	0.994	921.84	910.48
Swanley	5,340.20	0.994	5,308.16	5,255.55
Westerham	1,969.30	0.994	1,957.48	1,952.44
West Kingsdown	2,318.10	0.994	2,304.19	2,272.88
<b>TOTALS</b>	<b>49,190.80</b>		<b>48,895.68</b>	<b>48,209.05</b>

- 8 The Council has previously resolved that its expenses are to be treated as general expenses. In addition the Council has formally to approve what are to be regarded as special expenses now that parish precepts are treated as part of the District Council's general fund and therefore its budget requirement.

#### Timetable for Setting the Tax

- 10 The County Council and Fire and Rescue Service have advised me of their budget meeting dates for 2016/17. Confirmation of the Police & Crime Commissioner's budget meeting date is awaited:

County Council	11 February 2016
Police & Crime Commissioner	Expected by 9 February 2016
Fire and Rescue Service	12 February 2016

- 11 The council tax for the Sevenoaks area cannot be set before the Fire, Police or County precepts have been ratified. There are several dates laid down in regulations on, or by which, certain tasks in relation to the budget process and tax setting have to be carried out. These key dates appear in the Appendix.
- 12 As part of the tax setting process, the Council is required to make an estimate of the collection fund surplus or deficit at 15 January 2016 or the first working day after this, for the year ending 31 March 2016.
- 13 The amount of any surplus or deficit which a billing authority estimates in its collection fund will not remain in the collection fund but will be shared and taken into account by both billing and major precepting authorities in calculating their basic amounts of council tax for 2016/17.

## Agenda Item 6a

- 14 In estimating any surplus or deficit, items relating to community charge will not be taken into account. These are to remain with the billing authority and will be taken into account by it in calculating its basic amount of council tax for the year.
- 15 An authority's share of any surplus or deficit relating to council tax is to be in the same proportion as its demand bears to the total demand and precepts on the collection fund for 2015/16. Payment is to be made during 2016/17 on the same dates as precept payments.

### Key Implications

#### Financial

- 16 There are no financial implications.

#### Community Impact and Outcomes

- 17 There are no community impacts arising from this report.

#### Legal Implications and Risk Assessment Statement

- 18 Calculation of the tax base for the District is a statutory requirement. The information is used by other authorities in setting their precepts. The actual tax base will vary during the year as new properties are built and exemptions and discounts are granted or withdrawn. Any difference in the revenue raised to that needed to pay precepts remains in the collection fund to be distributed to or collected from major precepting authorities in the following year.

#### Equality Assessment

- 19 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### Conclusions

- 20 Members are asked to approve the calculation of the District's tax base for council tax setting purposes and to note the timetable for setting the 2016/17 council tax.

**Appendices:** Appendix A - Key dates in the council tax setting process

**Background Papers:** None

**Adrian Rowbotham**  
Chief Finance Officer

KEY DATES IN THE COUNCIL TAX SETTING PROCESS

**APPENDIX**

- |       |   |  |
|-------|---|--|
| i)    | By 16 October 2015                          | Notify tax base for grant settlement purposes to Department for Communities & Local Government (DCLG)  |
| ii)   | During December 2015                        | DCLG notifies schedule of payment dates for Revenue Support Grant (RSG) and Non-Domestic Rates (NDR). DCLG notifies the NDR multiplier (rate in £) for 2016/17 |
| iii)  | By 31 December 2015                         | Issue proposed schedule of payment dates to precepting authorities   |
| iv)   | By 31 January 2016                          | Agree actual schedule of precept payment dates   |
| v)    | Between 1 December 2015 and 31 January 2016 | Notify tax base for tax setting purposes to KCC, Fire & Rescue Service and Police & Crime Commissioner   |
| vi)   | On 15 January 2016                          | Estimate collection fund surplus or deficit for year and calculate the amount to be shared between SDC, KCC, Fire and Police (where applicable)                |
| vii)  | By 22 January 2016                          | Notify KCC, Fire and Police of their shares of the surplus or deficit and when amounts are to be paid or transferred during 2016/17 (where applicable)         |
| viii) | During January and February 2016            | Notify Town/Parish Councils of tax bases for their areas within 10 days of them making such a request  |
| ix)   | During February 2016                        | DCLG notifies entitlements and payment dates of Formula Spending Share (FSS), RSG and NDR  |
| x)    | By 1 March 2016                             | KCC, Fire & Rescue Service, Police & Crime Commissioner and Town/Parish Councils issue their precepts  |
| xi)   | By 11 March 2016                            | District sets council tax for 2016/17, taking account of its own budget requirement and those of the precepting authorities                                    |

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**Item 6 (b) - Treasury Management Strategy 2016/17**

The attached report was considered by the Cabinet on 4 February 2016 and the relevant minute extract was not available prior to publication of these papers.

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**TREASURY MANAGEMENT STRATEGY 2016/17**

**Cabinet - 4 February 2016**

Report of the: Chief Finance Officer

Status: For Decision

Also considered by: Finance Advisory Committee - 25 January 2016

Council - 16 February 2016

Key Decision: No

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**Executive Summary:** The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

Members' particular attention is drawn to paragraph 68 of the report, which discusses a new investment option.

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**This report supports the Key Aim of efficient management of the Council's resources.**

**Portfolio Holder** Cllr. Searles

**Contact Officer** Roy Parsons, Principal Accountant - Ext 7204

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**Recommendations to Finance Advisory Committee:** That

- a) consideration be given to investment with Santander UK plc; and
- b) the recommendation to Cabinet be approved.

**Recommendation to Cabinet:** That, subject to the views of the Finance Advisory Committee, Cabinet recommend that Council approve the Treasury Management Strategy for 2016/17.

**Recommendation to Council:** That the Treasury Management Strategy for 2016/17 be approved.

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**Reason for recommendations:** To ensure that an appropriate and effective annual Treasury Management Strategy is drawn up in advance of the forthcoming financial year, which meets both legislative and best practice requirements.

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### Background

- 1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 3 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:  
  
*"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

### Introduction

#### Reporting requirements

- 4 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Finance Advisory Committee.
- 5 Prudential and Treasury Indicators and Treasury Strategy (This report) - The first, and most important report covers:
  - the capital plans (including prudential indicators);
  - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);



- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  - an investment strategy (the parameters on how investments are to be managed).
- 6 A Mid Year Treasury Management Report - This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- 7 An Annual Treasury Report - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

#### Treasury Management Strategy for 2016/17

- 8 The strategy for 2016/17 covers two main areas:

##### *Capital Issues*

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy.

##### *Treasury management Issues*

- the current treasury position;
  - treasury indicators which will limit the treasury risk and activities of the Council;
  - prospects for interest rates;
  - the borrowing strategy;
  - policy on borrowing in advance of need;
  - the investment strategy;
  - creditworthiness policy; and
  - policy on the use of external service providers.
- 9 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department of Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

#### Training

- 10 The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

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Training was last undertaken in 2010 and further training will be arranged as required.

- 11 The training needs of treasury management officers are reviewed periodically.

### Treasury management consultants

- 12 The Council uses Capita Asset Services, Treasury Solutions as its external treasury management advisors.
- 13 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 14 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and subjected to review.

### **Capital Issues**

#### **The Capital Prudential Indicators 2016/17 - 2018/19**

- 15 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

### Capital Expenditure

- 16 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure	4,263	1,458	21,852	8,748	1,035

- 17 Other long term liabilities. The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

- 18 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

	2014/15 Actual £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Capital Expenditure	4,263	1,458	21,852	8,748	1,035
<b>Financed by:</b>					
Capital receipts	1,250	435	1,520	0	0
Capital grants	2,489	477	477	477	477
Capital reserves	168	57	10,057	7,757	57
Revenue	355	489	498	514	501
Internal borrowing			5,300		
External borrowing			4,000		
<b>Net financing need for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Council's Borrowing Need (the Capital Financing Requirement)

- 19 The second prudential indicator is the Council's capital financing requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 20 The CFR does not increase indefinitely, as the minimum revenue position (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.
- 21 The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not

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required to separately borrow for these schemes. The Council currently has £0.2m of such schemes within the CFR.

22 The Council is asked to approve the CFR projections below:

	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
<b>Capital Financing Requirement</b>					
Total CFR	122	101	80	59	38
Movement in CFR	-21	-21	-21	-21	-21

<b>Movement in CFR represented by:</b>					
Net financing need for the year (above)	0	0	0	0	0
<u>Less</u> MRP/VRP and other financing movements	-21	-21	-21	-21	-21
<b>Movement in CFR</b>	<b>-21</b>	<b>-21</b>	<b>-21</b>	<b>-21</b>	<b>-21</b>

Note:- The MRP / VRP includes finance lease annual principal payments

### Minimum Revenue Provision (MRP) Policy Statement

- 23 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 24 CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:
- 25 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be based on CFR.

- 26 This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.
- 27 From 1 April 2008 for all unsupported borrowing (including PFI and finance leases), the MRP policy will be either:
- Asset life method - MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction); or
  - Depreciation method - MRP will follow standard depreciation accounting procedures.

These options provide for a reduction in the borrowing need over approximately the asset's life. Repayments included in annual PFI or finance leases are applied as MRP.

#### Core Funds and Expected Investment Balances

- 28 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

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<b>Year End Resources</b>	<b>2014/15 Actual £000</b>	<b>2015/16 Estimate £000</b>	<b>2016/17 Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>
Fund balances / reserves	23,818	22,265	22,728	21,327	20,080
Capital receipts	3,460	7,233	7,255	7,255	7,255
Provisions	443	503	409	409	409
Other	0	0	0	0	0
<b>Total core funds</b>	<b>27,721</b>	<b>30,001</b>	<b>30,392</b>	<b>28,991</b>	<b>27,744</b>
Working capital*	1,032	1,061	1,090	1,119	1,129
Under/over borrowing	0	0	0	0	0
<b>Expected investments</b>	<b>28,753</b>	<b>31,062</b>	<b>31,482</b>	<b>30,110</b>	<b>28,873</b>

\*Working capital balances shown are estimated year end; these may be higher mid year

### Affordability Prudential Indicators

- 29 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

#### Ratio of Financing Costs to Net Revenue Stream

- 30 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs, net of investment income) against the net revenue stream.

	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Estimate	Estimate	Estimate
<b>Ratio</b>	-2.00%	-3.00%	-2.00%	-1.00%	-1.00%

The estimates of financing costs include current commitments and the proposals in the budget report.

#### Incremental Impact of Capital Investment Decisions on Council Tax

- 31 This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Estimate	Estimate	Estimate
<b>Council tax band D</b>	£0.00	-£0.02	£0.01	-£0.02	-£0.04

#### **Treasury Management Issues**

- 32 The capital expenditure plans set out above provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### **Current Portfolio Position**

- 33 The Council's treasury portfolio position at 31 December 2015 appears in Appendix A.
- 34 The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement or CFR), highlighting any over or under borrowing.

	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Estimate	Estimate	Estimate
<b>External Debt</b>					
Debt at 1 April	0	0	0	4,000	4,000
Expected change in Debt	0	0	4,000	0	0
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
<b>Actual gross Debt at 31 March</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>The Capital Financing Requirement (CFR)</b>	<b>122</b>	<b>101</b>	<b>80</b>	<b>59</b>	<b>38</b>
<b>Under / (over) borrowing</b>	<b>122</b>	<b>101</b>	<b>80</b>	<b>59</b>	<b>38</b>

- 35 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- 36 The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
- 37 The above mentioned portfolio position shows that, at present, this authority does not borrow. This has been the position for a number of years. However, this may change in future and hence the strategy needs to deal with such a situation, should it arise.



**Treasury indicators which will limit the treasury risk and activities of the Council**

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

- 38 This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

<b>Operational boundary</b>	<b>2015/16 Estimate £000</b>	<b>2016/17 Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>
Debt	10,000	10,000	10,000	10,000
Other long term liabilities	0	0	0	0
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

The Authorised Limit for external debt

- 39 A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 40 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- 41 The Council is asked to approve the following Authorised Limit:

<b>Authorised limit</b>	<b>2015/16 Estimate £000</b>	<b>2016/17 Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>
Debt	10,000	10,000	10,000	10,000

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Other long term liabilities	0	0	0	0
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

### Prospects for Interest Rates

- 42 The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendix B draws together a number of current City forecasts for short term and longer fixed interest rates. Appendix C contains Capita Asset Services' latest economic background report.

### Borrowing Strategy

- 43 At present, there are no capital borrowings. However, should this change during 2016/17, the Council would look to maintain an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement or CFR) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is considered a prudent one as investment returns are low and counterparty risk is relatively high.
- 44 Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
  - *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.*
- 45 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Treasury Management Limits on Activity

46 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs and/or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position, net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

47 The Council is asked to approve the following treasury indicators and limits:

	2016/17	2017/18	2018/19
	%	%	%
<b>Interest rate exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Limits on fixed interest rates based on net debt	100	100	100
Limits on variable interest rates based on net debt	50	50	50
<b>Maturity structure of fixed interest rate borrowing 2016/17</b>			
		<b>Lower</b>	<b>Upper</b>
Under 12 months		0	100
12 months to 2 years		0	100

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2 years to 5 years	0	100
5 years to 10 years	0	100
10 years and above	0	100
<b>Maturity structure of variable interest rate borrowing 2016/17</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0	100
12 months to 2 years	0	100
2 years to 5 years	0	100
5 years to 10 years	0	100
10 years and above	0	100

As borrowing is yet to be undertaken, the maturity structures have all been set with an upper limit of 100%. If and when this happens, these limits can be refined in light of actual borrowing patterns.

### **Policy on borrowing in advance of need**

- 48 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 49 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **Municipal Bonds Agency**

- 50 It is likely that the Municipal Bonds Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). If the Council does borrow in the future it intends to make use of this new source of funding as and when appropriate.

## Annual Investment Strategy

### Changes to credit rating methodology

- 51 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.
- 52 In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 53 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA-. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.
- 54 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the

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majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

### Investment Policy

- 55 The Council’s investment policy has regard to the Department of Communities and Local Government (CLG) Guidance on Local Government Investments (“the Guidance”) and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”). The Council’s investment priorities will be security first, liquidity second, then return.
- 56 In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- 57 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” (CDS) and overlay that information on top of the credit ratings.
- 58 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 59 Investment instruments identified for use in the financial year are listed in Appendix D under the ‘Specified’ and ‘Non-Specified’ Investments categories. Counterparty limits will be as set below.

### Creditworthiness Policy

- 60 This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

61 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour as individually specified in the Strategy

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
A. Banks - UK	Purple	£7m	2 years
B. Banks - UK	Orange	£7m	1 year
C. Banks - UK (part nationalised)	Blue	£10m	1 year
D. Banks - UK	Red	£7m	6 months
E. Banks - UK	Green	£7m	100 days
F. Banks - UK	No Colour	Not to be used	
G. Banks - non UK	All Colours	£5m	Dependent on Colour
H. Council's banker (if not meeting Banks A. to G.)	N/A	£7m	1 day

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<b>I. Other institutions limit</b>	All Colours	£5m	Dependent on Colour
<b>J. Other institutions limit</b>	No Colour	£4m	100 days
<b>K. DMADF</b>	AAA	£5m	6 months
<b>L. Local authorities</b>	N/A	£5m	2 years
	<b>Fund rating</b>	<b>Money and/or % Limit</b>	<b>Time Limit</b>
<b>M. Money market funds</b>	AAA	£5m (per fund)	Liquid
<b>N. Enhanced money market funds</b>	AAA	£5m (per fund)	Liquid

- 62 The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 63 Typically the minimum credit ratings criteria the Council uses will be a Short Term rating (Fitch or equivalents) of short term rating F1 and a long term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 64 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services creditworthiness service.
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
  - in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 65 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information,



information on any external support for banks to help support its decision making process.

Country limits

- 66 The Council has determined that it will only use approved counterparties from countries that have a minimum sovereign credit rating of AA- from Fitch and where those countries have been approved by the Finance Advisory Committee. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other creditworthiness issues

- 67 The Council's current investment policy further limits the one proposed by Capita Asset Services as follows:-
- a. Maximum investment period of two years. Part nationalised UK banks also have a two year duration limit.
  - b. Investments in any single institution or institutions within a group of companies are limited to 25% of the total fund, at the time the investment is placed, except for Lloyds Banking Group plc and Royal Bank of Scotland Group plc where the limit is 30%.
  - c. Total investments in any one foreign country are limited to 15% of the total fund, but UK-based institutions to be used as first preference. The only country, other than the UK, approved for investment is Sweden.
  - d. Investments are limited to £6m per bank excluding call accounts and £7m including call accounts except for:-
    - (i) Lloyds Banking Group plc and Royal Bank of Scotland Group plc, where the limits are £10m for each with no distinction between fixed deposits and call accounts; and
    - (ii) Svenska Handelsbanken AB, where the limit is £5m with no distinction between fixed deposits and call accounts.
  - e. If the Council's own banker, Barclays, falls below Capita Asset Services' minimum credit rating requirements, it will nevertheless continue to be used, although balances will be minimised in both monetary size and duration.
  - f. Building Societies with assets in excess of £9bn are included in the lending list with a maximum investment limit of £4m each and a maximum duration of 100 days. If a Building Society meets Capita Asset Services' minimum credit rating requirements, the investment limit is increased to £5m with a maximum investment duration of two years.

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- g. Investments in Money Market Funds (MMFs) and Enhanced Money Market Funds (EMMFs) are limited to a combined maximum of £5m per provider.
- 68 The only change proposed for 2016/17 is the inclusion of Santander UK plc as a potential investment counterparty. Subsequent to the financial crisis in 2008, they were removed from our counterparty list when we decided to concentrate investment activity in UK-based institutions. Although a UK-based operation, they are ultimately owned by their Spanish parent company. They are currently used by a considerable number of local authorities, including several in Kent. As well as fixed rate products they are offering very competitive notice accounts. Members' views on this option would be gratefully received. If considered a suitable counterparty, investment and duration limits would need to be agreed if they are to deviate from the Capita Asset Services colour coding scheme, which, at the time of writing, was Red (maximum £7m and 6 months duration).

### Investment Strategy

- 69 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 70 Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:
- 2016/17 1.00%
  - 2017/18 1.75%
  - 2018/19 2.00%
- 71 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:
- 2016/17 0.90%
  - 2017/18 1.50%
  - 2018/19 2.00%
  - 2019/20 2.25%
  - 2020/21 2.50%
  - 2021/22 3.00%
  - 2022/23 3.00%
  - Later years 3.00%
- 72 The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and/or forecasts for increases in inflation rise, there could be an upside risk.

- 73 The Council is asked to approve the following treasury indicator and limit. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for an early sale of an investment. They are based on the availability of funds after each year-end.

Maximum principal sums invested > 364 days	2016/17 £000	2017/18 £000	2018/19 £000
Principal sums invested > 364 days	10,000	10,000	10,000

- 74 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

Investment risk benchmarking

- 75 The Council will use an investment benchmark to assess the performance of its portfolio. The benchmarks will be 7 day and 3 month LIBID un compounded.

End of year investment report

- 76 At the end of the financial year, the Council will receive a report on its investment activity as part of the Annual Treasury Report.

Scheme of delegation

- 77 The guidance notes accompanying the revised Code also require that a statement of the Council’s scheme of delegation in relation to treasury management is produced as part of the Annual Investment Strategy. This appears at Appendix F.

Role of the Section 151 officer

- 78 As with the scheme of delegation mentioned in the previous paragraph, a statement of the role of the Section 151 officer is also required. This appears at Appendix G.

**Key Implications**

Financial

- 79 The management of the Council’s investment portfolio and cash-flow generated balances plays an important part in the financial planning of the authority. The security of its capital and liquidity of its investments is of paramount importance.

## Agenda Item 6b

### Legal Implications and Risk Assessment Statement

- 80 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 81 This annual investment strategy report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.
- 82 Treasury management has two main risks :
- Fluctuations in interest rates can result in a reduction in income from investments; and
  - A counterparty to which the Council has lent money fails to repay the loan at the required time.

Consideration of risk is integral in our approach to treasury management.

- 83 The movement in previous years towards having a restricted lending list of better quality institutions but higher individual limits with those institutions has reduced the chances of a default. But if a default did occur, the potential loss would be greater. The proposal in this report does create small additional risk.
- 84 These risks are mitigated by the annual investment strategy which has been prepared on the basis of achieving the optimum return on investments commensurate with proper levels of security and liquidity. However, Members should recognise that in the current economic climate, these remain significant risks and that the strategy needs to be constantly monitored.

### Equality Assessment

- 85 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **Conclusions**

- 86 The effect of the proposals set out in this report is to allow the Council to effectively and efficiently manage cash balances.

- 87 In line with the revised CIPFA Code of Practice on Treasury Management, the Annual Treasury Strategy must be considered by Council and this is planned for its meeting on 16 February 2016. Given the current uncertainties in the banking sector and financial markets, the Council may need to consider amending its strategy during the year.

**Appendices:**

- Appendix A - Investment portfolio at 31 December 2015
- Appendix B - Prospects for interest rates
- Appendix C - Economic background report
- Appendix D - Specified and non-specified investments
- Appendix E - Approved countries for investments
- Appendix F - Treasury management scheme of delegation
- Appendix G - The treasury management role of the S151 officer

**Background Papers:**

None

**Adrian Rowbotham  
Chief Finance Officer**

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APPENDIX A: CURRENT PORTFOLIO POSITION

List of Investments as at:- 31-Dec-15

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms
	Santander UK plc (Business Reserve A/C)	A	U.K.	Santander	0	01-Apr-99			0.40000%	Variable
	Santander UK plc (Money Market A/C)	A	U.K.	Santander	0	09-Oct-06			0.40000%	Variable
	Clydesdale Bank plc (Base Tracker Plus - 15 Day)	A	U.K.	NAB	0	10-Sep-10			0.30000%	Variable
	Barclays Bank plc (Business Premium A/C)	A	U.K.		3,707,000	01-Oct-11			0.35000%	Variable
	Barclays Bank plc (Flexible IBCA)	A	U.K.		0	01-Jun-14			0.45000%	Variable
	National Westminster Bank plc (Liquidity Select)	BBB+	U.K.	RBS	1,000,000	07-Oct-11			0.25000%	Variable
	National Westminster Bank plc (95 Day Notice)	BBB+	U.K.	RBS	0	24-May-13			0.35000%	Variable
	Svenska Handelsbanken AB (Deposit A/C)	AA-	Sweden		3,000,000	23-Jul-14			0.40000%	Variable
	Standard Life Liquidity Fund (Money Market Fund)	AAA	U.K.		5,000,000	11-May-12				Variable
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		3,500,000	11-May-12				Variable
IP1227	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	10-Feb-15	1.00000%	09-Feb-16		1 Year
IP1229	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	20-Feb-15	1.00000%	19-Feb-16		1 Year
IP1259	Barclays Bank plc	A	U.K.		3,000,000	08-Sep-15	0.66000%	08-Mar-16		6 Months
IP1250	Coventry Building Society	A	U.K.		1,000,000	15-Jul-15	0.60000%	15-Jan-16		6 Months
IP1258	Coventry Building Society	A	U.K.		1,000,000	28-Aug-15	0.60000%	29-Feb-16		6 Months
IP1272	Coventry Building Society	A	U.K.		1,000,000	17-Nov-15	0.60000%	17-May-16		6 Months
IP1234	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	07-Apr-15	1.00000%	05-Apr-16		1 Year
IP1240	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	28-Apr-15	1.00000%	26-Apr-16		1 Year
IP1241	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	05-May-15	1.00000%	04-May-16		1 Year
IP1246	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	03-Jul-15	0.70000%	04-Jan-16		6 Months
IP1262	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	2,000,000	06-Oct-15	0.80000%	29-Mar-16		175 Days
IP1268	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	02-Nov-15	0.75000%	03-May-16		6 Months
IP1273	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	27-Nov-15	0.75000%	27-May-16		6 Months
IP1247	Nationwide Building Society	A	U.K.		1,000,000	09-Jul-15	0.66000%	11-Jan-16		6 Months
IP1254	Nationwide Building Society	A	U.K.		1,000,000	06-Aug-15	0.66000%	08-Feb-16		6 Months
IP1257	Nationwide Building Society	A	U.K.		1,000,000	28-Aug-15	0.66000%	29-Feb-16		6 Months
IP1261	Nationwide Building Society	A	U.K.		2,000,000	23-Sep-15	0.66000%	23-Mar-16		6 Months
IP1232	Royal Bank of Scotland plc	BBB+	U.K.	RBS	3,000,000	15-Apr-15	1.00000%	18-Apr-17		2 Years
IP1265	Skipton Building Society	BBB+	U.K.		1,000,000	22-Oct-15	0.43000%	22-Jan-16		3 Months
IP1263	Yorkshire Building Society	A-	U.K.		1,000,000	15-Oct-15	0.47000%	15-Jan-16		3 Months
IP1266	Yorkshire Building Society	A-	U.K.		1,000,000	22-Oct-15	0.47000%	22-Jan-16		3 Months
IP1267	Yorkshire Building Society	A-	U.K.		1,000,000	28-Oct-15	0.47000%	28-Jan-16		3 Months
IP1271	Yorkshire Building Society	A-	U.K.		1,000,000	17-Nov-15	0.47000%	17-Feb-16		3 Months
	<b>Total Invested</b>				<u><u>45,207,000</u></u>					
	<b>Other Loan</b>									
	Sevenoaks Leisure Limited				250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years

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**APPENDIX B: Interest Rate Forecasts 2016 - 2019**

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

<b>Capita Asset Services Interest Rate View</b>														
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
<b>Bank Rate View</b>	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%	2.00%
3 Month LIBID	0.60%	0.70%	0.80%	0.90%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	1.90%	2.00%	2.00%	2.10%
6 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.10%	2.20%	2.20%	2.30%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.40%	2.50%	2.50%	2.70%
5yr PWLB Rate	2.30%	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%
10yr PWLB Rate	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%
25yr PWLB Rate	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%	4.50%
50yr PWLB Rate	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%	4.40%
<b>Bank Rate</b>														
Capita Asset Services	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	-	-	-	-	-
<b>5yr PWLB Rate</b>														
Capita Asset Services	2.30%	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%
Capital Economics	2.40%	2.60%	2.70%	2.80%	3.00%	3.10%	3.20%	3.30%	3.50%	-	-	-	-	-
<b>10yr PWLB Rate</b>														
Capita Asset Services	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%
Capital Economics	3.35%	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
<b>25yr PWLB Rate</b>														
Capita Asset Services	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%	4.50%
Capital Economics	3.35%	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
<b>50yr PWLB Rate</b>														
Capita Asset Services	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%	4.40%
Capital Economics	3.40%	3.40%	3.50%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	-	-	-	-	-

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## APPENDIX C: Economic Background

**UK.** UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again. However, quarter 1 of 2015 was weak at +0.4%, although there was a short lived rebound in quarter 2 to +0.7% before it subsided again to +0.5% (+2.3% y/y) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% - 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.2%.

The Bank of England's Monetary Policy Committee (MPC) has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but only to be followed by a second, more recent, round of falls in fuel prices which will now delay a significant tick up in inflation from around zero. CPI inflation is now expected to get back to around 1% in the second half of 2016 and not get near to 2% until 2017, though the forecasts in the Report itself were for an even slower rate of increase.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that they need to raise rates sooner, rather than later, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively during 2015 from Q4 2015 to Q2 2016. Increases after that are also likely to be at a much slower pace, and to much lower final levels than prevailed before

## Agenda Item 6b

2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

**USA.** GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded remarkably strongly in Q2 to 3.9% (annualised) before falling back to +2.1% in Q3.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Federal Reserve (Fed) would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong; this, therefore, opened up the way for the Fed to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

**EZ.** In the Eurozone, the European Central Bank (ECB) fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing (QE) to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to an improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and +0.3% in quarter 3. However, this more recent lacklustre progress, combined with the recent downbeat Chinese and emerging markets news, has prompted comments by the ECB that it stands ready to strengthen this programme of QE by extending its time frame and / or increasing its size in order to get inflation up from the current level of around zero towards its target of 2%. The ECB will also aim to help boost the rate of growth in the EZ.

**Greece.** During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

**Portugal and Spain.** The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost power. A left wing / communist coalition has taken power in Portugal which is heading towards unravelling previous pro austerity reforms. This outcome could be replicated in Spain. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

**China and Japan.** Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market during the summer. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of the bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, concerns about whether the Chinese economy could be heading for a hard landing, and the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September, remain a concern.

**Emerging countries.** There are also considerable concerns about the vulnerability of some emerging countries and their corporates which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries) there is now a strong flow back to those western economies with strong growth and an imminent rise in interest rates and bond yields.

This change in investors' strategy, and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US, has helped to cause the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

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Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

### **CAPITA ASSET SERVICES FORWARD VIEW**

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. Capita Asset Services undertook its last review of interest rate forecasts on 9 November 2015 shortly after the publication of the quarterly Bank of England Inflation Report. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in November, (based on short sterling), for the first Bank Rate increase are currently around mid-year 2016.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

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## **APPENDIX D - SPECIFIED AND NON-SPECIFIED INVESTMENTS**

### **SPECIFIED INVESTMENTS**

All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable.

### **NON-SPECIFIED INVESTMENTS**

These are any investments which do not meet the specified investment criteria. A maximum of 50% will be held in aggregate in non-specified investments.

A variety of investment instruments will be used, subject to the credit quality of the institution. Depending on the type of investment made it will fall into one of the above two categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

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	Minimum Credit Criteria (i.e. Colour Band)	Max % of total investments / £ limit per institution	Max. maturity period	Specified (S) / Non-Specified (N)
Debt Management Agency Deposit Facility (DMADF) - UK Government	N/A	100%	6 Months	S
UK Government gilts	UK sovereign rating AA- or better	100%	1 Year	S
UK Government treasury bills	UK sovereign rating AA- or better	100%	6 Months	S
Bonds issued by multilateral development banks	UK sovereign rating AA- or better	100%	6 Months	S
Money market funds	AAA	25% / £5m	Liquid	S
Enhanced money market funds	AAA	25% / £5m	Liquid	S
Local authorities (up to one year)	N/A	25% / £5m	1 Year	S
Local authorities (over one year)	N/A	25% / £5m	2 Years	N
Term deposits with Lloyds Bank Group / RBS Group (up to one year)	Blue	30% / £10m	1 Year	S
Term deposits with Lloyds Bank Group / RBS Group (over one year)	Blue	30% / £10m	2 Years	N
Term deposits with other banks (up to one year)	Green	25% / £6m	1 Year	S
Term deposits with other banks (over one year)	Green	25% / £6m	2 Years	N
Term deposits with building societies	No colour	25% / £4m	100 Days	N
CDs or corporate bonds with banks or building societies	Green	25% / £5m	1 Year	S
Gilt funds	UK sovereign rating AA- or better	25% / £5m	1 Year	S
Property funds	N/A	25% / £2m	Semi-liquid	N

The criteria in this appendix are intended to be the operational criteria in normal times. At times of heightened volatility, risk and concern in the financial markets, this strategy may be amended by temporary operational criteria

further limiting investments to counterparties of a higher creditworthiness and/or restricted time limits.

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### APPENDIX E - Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher and also have banks operating in the sterling markets which have colour codes of green or above in the Capita Asset Services credit worthiness service.

#### AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland

#### AA+

- Finland
- U.K.
- U.S.A.

#### AA

- Abu Dhabi (UAE)
- France
- Qatar

#### AA-

- Belgium

## **APPENDIX F - Treasury management scheme of delegation**

### **Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

### **Cabinet**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

### **Finance Advisory Committee**

- reviewing the treasury management policy and procedures and making recommendations to Cabinet.

**APPENDIX G - The treasury management role of the section 151 officer**

The S151 (responsible) officer is responsible for:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

**Item 6 (c) - Budget and Council Tax Setting 2016/17**

The attached report was considered by the Cabinet on 4 February 2016 and the relevant minute extract was not available prior to publication of these papers.

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**BUDGET AND COUNCIL TAX SETTING 2016/17**

**Cabinet - 4 February 2016**

Report of Chief Finance Officer  
 Status: For Decision  
 Also considered by: Council - 16 February 2016  
 Key Decision: No

**Executive Summary:** The Council has an excellent track record in identifying, planning for and addressing financial challenges. In light of the challenging financial position facing all authorities five years ago, for 2011/12 the Council produced a 10-year budget together with a savings plan for the first time. This will be the sixth year this method has been used and provides the Council with a stable basis for future years.

This report sets out the proposed budget and required level of Council Tax for 2016/17. The report details changes to the draft budget since the Cabinet meeting on 14 January 2016.

The report proposes a net expenditure budget of £13.689m in 2016/17 (£14.253m in 2015/16). Subject to any further changes this would result in a Council Tax increase of 1.96% in 2016/17, with the District’s Council Tax being £196.65 for a Band D property for the year (£192.87 in 2015/16).

The report also contains details of the precepts received from other authorities; the Collection Fund position and an opinion on the robustness of the budget and the adequacy of the reserves.

**Portfolio Holder** Cllr. Searles  
**Contact Officer(s)** Adrian Rowbotham Ext.7153  
 Helen Martin Ext.7483

**Recommendation to Cabinet:**

That recommendations (a) to (d) set out below be recommended to Council.

**Recommendation to Council:**

- (a) The Summary of Council Expenditure and Council Tax for 2016/17 set out in Appendix E be approved.

- 
- (b) Approve the 10-year budget 2016/17 to 2025/26 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix B to the report, including the growth and savings proposals set out in Appendix C-D to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve: and
- (c) The changes to reserves and provisions set out in Appendix H be approved.
- (d) Members' views are sought on the issue of Council Tax Support funding for Town and Parish Councils and one of the following options be approved:
- i. No funding is passed to Town and Parish Councils for Council Tax Support in 2016/17;
  - ii. An amount of funding is passed to Town and Parish Councils for Council Tax Support in 2016/17 equivalent to the amount passed on in 2013/14 less 78% (the Council's reduction in Revenue Support Grant);
  - iii. A different amount is passed to Town and Parish Councils for Council Tax Support in 2016/17.
- (e) Due to there length and complexity, the further recommendations have been produced as a separate document (Appendix L).
- 

### Introduction and Background

- 1 The Council's financial strategy over the past eleven years has worked towards increasing financial sustainability and it has been successful through the use of a number of strategies including:
  - implementing efficiency initiatives;
  - significantly reducing the back office function;
  - improving value for money;
  - maximising external income;
  - the movement of resources away from low priority services; and
  - an emphasis on statutory rather than non-statutory services.
- 2 Over this period the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders. In financial terms, the adoption of this strategy has to date allowed the Council to move away from its reliance on general fund reserves.
- 3 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the short-term reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the

Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.

- 4 With the amount of Revenue Support Grant provided by Government continuing to reduce at a significant rate it is important that the council aims to become more financially self-sufficient by having a balanced economy and a financial strategy that is focused on local solutions. These solutions include:
  - continuing to deliver financial savings and service efficiencies;
  - growing the council tax base; and
  - generating more income.
- 5 Local Government generally appears to be feeling the impacts of the Government funding reductions and the recession. However, productivity and morale within this Council remain high which has a positive impact on the financial bottom line.
- 6 At the Cabinet meeting on 17 September 2015, Members considered a report setting out the Council's financial prospects for 2016/17 and beyond. That report set out the major financial pressures the Council is likely to face, together with a proposed strategy for setting a balanced and sustainable budget for 2016/17 and beyond.
- 7 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between September and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which were considered at the Cabinet meeting on 3 December 2015.
- 8 The report to Cabinet on 3 December 2015 also contained updates to the Financial Prospects report. An update report was presented to Cabinet on 14 January 2016 following the announcement of the Provisional Local Government Finance Settlement.
- 9 The adoption of the 10-year budget over the last five years has resulted in a much more stable budget position than had previously been achieved.
- 10 This report includes a number of attachments:
  - Appendix A - Budget timetable
  - Appendix B - 10-year budget;
  - Appendix C - Summary of the Council's agreed savings and growth items;
  - Appendix D - Summary of new growth and savings items proposed during the current budget process;

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- Appendix E - Summary of Council Expenditure and Council Tax;
- Appendix F - Summary of service analysis in budget book format;
- Appendix G - Analysis of pay costs;
- Appendix H - Reserves
- Appendix I - Risk analysis;
- Appendix J - Latest information on precepting authorities (only in Council report)
- Appendix K - Town and Parish Council precepts and council tax rates (only in Council report)
- Appendix L - Council tax setting recommendations (only in Council report)
- Appendix M - Council tax rates across the district (only in Council report)

### **Financial Self-Sufficiency**

- 11 The Council's Corporate Plan, introduced in 2013, set out an ambition for the Council to become financially self-sufficient. This would mean the Council no longer required direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 12 The decision to become financially self-sufficient is intended to give the Council greater control over its services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.
- 13 The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus from 2016/17 but does incorporate income from the Property Investment Strategy including the development of Sennocke and Bradbourne car parks.
- 14 It is intended that any funding received from Revenue Support Grant and New Homes Bonus will be put into the Financial Plan Reserve which can be used to support the 10-year budget by funding 'invest to save' initiatives and to support the Property Investment Strategy. One of the aims of the Property Investment Strategy is to achieve returns of 6%; therefore using funding for this purpose will result in additional year on year income that is not impacted by Government decisions.
- 15 Cabinet are keen to become financially self-sufficient early so that the Council is better able to anticipate and shape change, and place the Council on a stronger footing going forward. After making these changes, it is achievable to be free from Government control and be able to move ahead

in the knowledge that this Council has the financial resources to provide the services that the district's residents want into the future.

### **Government Funding**

- 16 ***The Provisional Local Government Finance Settlement*** for 2016/17 was announced on 17 December 2015 together with indicative figures for 2017/18 to 2019/20. The level of reduction was much larger and faster than had been predicted by experts. This was discussed by Cabinet on 14 January.
- 17 The Settlement included an amount of £632,791 for 2016/17 which is 61% lower than the amount received for 2015/16.
- 18 The indicative figures show that this Council is expected to receive no Revenue Support Grant (RSG) in any year after 2016/17 and in addition a 'tariff adjustment' has been included for the first time. Fourteen other district councils have also been affected in the same way from 2017/18 and many others in the following two years. This 'tariff adjustment' is in effect a negative RSG.
- 19 This dramatic reduction and by including a 'tariff adjustment' for the first time will have a major impact on district councils and it brings into question whether all local authorities will be able to survive in their current format.
- 20 The Council Leader and Leaders from two of the other fourteen other district councils initially affected, met Greg Clark MP, Secretary of State for Communities and Local Government on 4 January 2016 to discuss the Provisional Settlement and in particular the impact of the new 'tariff adjustment'.
- 21 The provisional settlement included a consultation document, with a deadline of 15 January 2016, which this council has responded to. It is expected that the Government will issue a Final Local Government Finance Settlement for 2016/17 on 11 February 2016 and any changes that impact Sevenoaks District Council will be reported at the Council meeting.
- 22 As the figures for 2017/18 to 2019/20 are only indicative at this time, they have not been incorporated into the attached 10-year budget. Early indications suggest that a resolution will be found that removes the need for a 'tariff adjustment' before the provisional settlement figures are provided for these years. Should the 'tariff adjustment' amounts remain, one option would be to use New Homes Bonus income to offset this loss. However, if this approach was taken, less would be transferred into the Financial Plan Reserve to support the Property Investment Strategy.

### **Council Tax Support Funding for Town and Parish Councils**

- 23 The Government introduced a change from Council Tax Benefit (CTB) to Council Tax Support (CTS) from 1 April 2013. CTB was fully reimbursed by Government but CTS is a Council Tax Discount (similar to the Single Person

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Discount) and local authorities now only receive the amount of Council Tax they collect.

- 24 To partly offset this, the Government gave a grant to Major Precepting Authorities (i.e. Sevenoaks District Council, Kent County Council, Fire and Police) in 2013/14 amounting to 90% of the CTB they had received in 2012/13. Town and Parish Councils were initially excluded from this but the Government later changed their mind and allocated an additional identifiable grant to billing authorities to pass on to Town and Parish Councils.
- 25 When allocating this additional grant for 2013/14, the Government pointed out that this may not continue in future years. Officers advised Town and Parish Councils that in view of the information published by Government it could not be certain that this additional funding would be paid in future years. This resulted in many Town and Parish Councils increasing their Council Tax Precept (as Town and Parish Councils do not have a referendum limit like Major Precepting Authorities) to offset the future likely loss of this funding stream.
- 26 When the Government announce the funding settlement each year they can show funding in the following three ways:
  - a. Ring-fence an amount so that it has to be spent on a specific purpose or it has to be returned.
  - b. Highlight an amount for a specific purpose using a separate formula; this does not have to be spent on the specific purpose.
  - c. Revenue Support Grant - a formula based grant that can be used for any legal purpose.
- 27 In 2013/14 the additional funding for Town and Parish Councils was shown as a (b), in 2014/15, 2015/16 and 2016/17 it is within (c) and no specific amount for this purpose is shown.
- 28 Governments have treated other funding in a similar way in the past, e.g. Concessionary Fares, when funding was initially separately identified but was later included within the Revenue Support Grant.
- 29 As the additional funding for Town and Parish Councils was clearly identified in 2013/14, Sevenoaks District Council was early to commit to pay the full amount.
- 30 Officers have continued to inform Town and Parish Councils that if this additional funding could not be clearly identified in the grant settlement, it is likely that nothing would be passed on to Town and Parish Councils.
- 31 A report was presented to Council on 13 May 2014 requesting that members approve one of three options for 2014/15. Members decided not to pass on any funding to Town and Parish Councils for Council Tax Support in 2014/15. Members made the same decision for 2015/16.

- 32 Council Members' views are sought for 2016/17 and are asked to approve one of the following three options:
- i. No funding is passed to Town and Parish Councils for Council Tax Support in 2016/17;
  - ii. An amount of funding is passed to Town and Parish Councils for Council Tax Support in 2016/17 equivalent to the amount passed on in 2013/14 less 78% (the Council's reduction in Revenue Support Grant);
  - iii. A different amount is passed to Town and Parish Councils for Council Tax Support in 2016/17.
- 33 The Provisional Local Government Finance Settlement announced on 17 December 2015 once again did not include a separate amount for major preceptors or Town and Parish Councils therefore the assumption in the 10-year budget remains that no funding will be passed on.
- 34 Members may wish to note that in the first year of the Council Tax Support Scheme an amount of £1.008m was included within the Revenue Support Grant (RSG) for this purpose. The total RSG for 2016/17 is only £632,791. If a proportion of the RSG is passed on to Town and Parish Councils, further savings would be required to continue to have a balanced 10-year budget.

#### **Collection Fund Surplus/Deficit Calculation**

- 35 Rules governing the operation of the collection fund require the Council to make an estimate on 15 January (or the next working day) each year of the fund's likely difference at the end of the current financial year, in respect of council tax transactions. The amount so estimated is to be shared between the District Council, County Council, Fire and Police in proportion to their precepts on the collection fund. Each authority's share is to be taken into account by the authority in calculating its council tax for the year following the year in which the surplus or deficit has been estimated.
- 36 The actual surplus balance on the collection fund at 31 March 2015 was £299,145. The actual balance is very small in the context of the gross council tax collectible during 2014/15 of £74m.
- 37 The calculation at 15 January 2016 estimates a surplus balance on the collection fund at 31 March 2016. This is based on the tax bills issued for the year, current collection performance and the level of bad debt provision held.
- 38 The overall estimated surplus balance at 31 March 2016 is £1.968m, of which this Council's share is £333,000. This has come about following a review of the bad debt provision now that the council tax support scheme (which replaced council tax benefit) has been operating for two years.

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### Current Budget Position

- 39 The only changes to the budget since 14 January 2015 are the Collection Fund Surplus of £333,000 as explained earlier, and the use of this amount to increase the Corporate Project Support Reserve (see Appendix H).
- 40 Included in the 10-year budget is an additional £100,000 of income per annum from 2017/18. If this cannot be achieved via income, further savings would be required.
- 41 The 10-year budget (Appendix B) shows a fully funded 10-year position. By continuing to use the 10-year budget strategy, this council remains in a strong position going forward.

### 2016/17 Budget and Council Tax

- 42 After allowing for the growth and savings agreed and the key changes made during this budget process, the resulting net expenditure for 2016/17 is £13.689m. As shown in Appendix E this results in Council Tax income of £9.615m, meaning that the District element of the Band D charge will be £196.65.
- 43 When the other preceptors announce their increases, details will be included in Appendix J.

### Integration with other budget reports on the Cabinet Agenda

- 44 A report on the Treasury Management Strategy is being presented to Cabinet and Council and a report setting out the Capital Programme and Asset Maintenance proposals is being presented to Cabinet. The attached revenue budgets take into account the recommendations and revenue implications set out in those reports.

### Opinion under the Local Government Act 2003 (LGA 2003)

- 45 Under the LGA 2003 the Statutory Finance Officer (Chief Executive) is required to give Members an opinion on the robustness of the budget estimates and the adequacy of reserves.
- 46 In terms of the robustness of the budget, the following sources of assurance were taken into account:
- The Strategic Business and Financial Planning process used for the 2016/17 budget.
  - The Financial Strategy, including a 10-year Budget, clear financial objectives, sensitivity analysis and the savings package.
  - Growth and savings suggestions proposed.



- The strong financial control structure and effective performance management within the Council, confirmed by feedback from external auditors.
- Clear budget responsibilities at individual officer level.
- Effective monitoring regime giving early notification of potential financial issues through the use of the Finance Advisory Committee.
- Effective Internal/External audit system, with risk-based audits, reporting through the Audit Committee.
- Set aside of earmarked funds for potential liabilities in the medium term.
- Effective strategic and operational risk management.

47 As is the case every year, inevitably there are a number of risk factors within the 2016/17 budget proposals; these are set out in some detail in Appendix I. This Appendix was also considered by the Finance Advisory Committee on 25 January 2016. Some of the more significant items are set out below.

a) Pay costs

Pay costs are budgeted on 100% basis, with a 1% inflationary pay award assumption included and with a separate vacancy saving target. With controls over the appointment of any staff and monitoring of staff numbers as well as costs, pay costs are subject to a high level of control.

b) Income

In-depth monitoring of income budgets will continue throughout the year and will be given regular consideration by the Finance Advisory Committee.

c) Pensions funding

The next actuarial valuation will take effect from 2017/18.

d) Investment receipts

Interest receipts have remained low in 2015/16 and are not expected to increase in the near future. The Treasury Management Strategy will be kept under review and brought back to Members for consideration as necessary during the year. The proposed Strategy for 2016/17 is reported separately on this Agenda.

e) Capital investment

Property Investment Strategy income is now included in the 10-year budget. Members are assured that any property acquisitions will be

## Agenda Item 6c

supported by a thorough business case and approved by the relevant Portfolio Holders.

### f) Growth

The 10-year budget has no allowance for growth as it is anticipated that where possible this will be met through additional savings or the Budget Stabilisation Reserve.

- 48 Members will recognise that budget risk cannot be avoided completely. However, the structures already in place and the actions being put in place should ensure that next year's overall revenue spend figure is achieved, particularly through the Council's flexible approach to budgeting allowing the risk areas to be compensated by those that are underspent or over achieve on income.

### **Adequacy of Reserves**

- 49 Ensuring the adequacy and sustainability of the Council's reserves continues to be a key part of the budget process. Individual balances have been reviewed as part of writing this report and the detailed work is set out in Appendix H. This review should ensure that all provisions and earmarked reserves are adequate for their purposes.
- 50 It is recommended that the Council hold a minimum General Fund reserve balance of 10% of its net Revenue Budget, for emergencies.
- 51 The strong formal advice of the Section 151 officer to the Council is that every effort must be made to achieve the agreed savings plan in order to ensure financial sustainability and preserve the level of reserves for future commitments. The Council should avoid, at all costs, the General Fund Reserve balance reducing below 10% of its Net Service Expenditure (for 2016/17 this equates to £1.4m).

### **Referendums relating to council tax increases**

- 52 Section 72 of the Localism Act 2011 inserted Section 52ZB into the Local Government Finance Act 1992. This sets out the duty on local authorities, fire authorities and Police and Crime Commissioners (PCCs) to each determine whether the amount of council tax they plan to raise for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum apply.
- 53 The Secretary of State has published draft thresholds in relation to 2016/17 council tax levels. The Government proposes to set a threshold of 4% for local authorities with social care responsibilities and 2% for district councils, PCCs, fire authorities and the Greater London Authority. Districts and PCCs whose council tax level is in the lowest quartile of their type of authority may raise council tax by up to £5.00 on a band D bill (which may be a greater rise than 2%). Sevenoaks is not one of these authorities. As in

previous years, no equivalent principles are being proposed for Town and Parish Councils.

## **Key Implications**

### Financial

All financial implications are covered elsewhere in this report.

### Legal Implications and Risk Assessment Statement.

There are no legal implications.

For the effective management of our resources and in order to achieve a sustainable budget it is essential that all service cost changes and risks are identified and considered. The budget risk analysis is included as Appendix I.

Current and future pressures were included in the Service Overviews presented to the Advisory Committees and each Service Change Impact Assessment (SCIA) included the likely impacts including a risk analysis.

An effective integrated policy and priority driven long-term financial and business process is required for the Council to deliver on its priorities and maintain a sustainable budget. It is also essential that continuous improvements are identified and implemented in order to take account of the changing climate within which the Council operates and to meet the expectations of both Government and the public on the quality of service demanded from this Council.

The risks associated with the 10-year budget approach include uncertainty around the level of shortfall and the timing of key announcements such as future grant settlements. The risk will be mitigated by continuing to review assumptions and estimates and by updating Members throughout the process.

The Council has in place a number of specific reserves and provisions to address identified risks.

### Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

Individual equalities assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent. These were included in the Draft Budget 2016/17 report to Cabinet on 3 December 2015.

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### Community Impact and Outcomes

In making any budget proposals, Members need to consider the impact on customers, service quality and staff well-being, to ensure that the budget supports the Council's aspirations for customer-focused services.

### **Conclusions**

The budget process has once again been a major financial challenge for a council that already provides value for money services to a high standard. The 10-year budget shows a fully funded position over the whole period which keeps this council in a strong position going forward.

The future financial prospects for the public sector are increasingly difficult, with the added uncertainty of the pending elections. However, this budget ensures the Council is in a financially sustainable position but it will be reviewed when changes resulting from the elections are known.

If the council tax resolution attached in Appendix L is approved, the Sevenoaks District Council element of the band D council tax will be £196.65.

### **Appendices**

Appendix A - Budget timetable

Appendix B - 10-year budget

Appendix C - Summary of the Council's agreed savings and growth items

Appendix D - Summary of new growth and savings items proposed during the current budget process

Appendix E - Summary of Council Expenditure and Council Tax

Appendix F - Summary of service analysis in budget book format

Appendix G - Analysis of pay costs

Appendix H - Reserves

Appendix I - Risk analysis (also being considered by Finance Advisory Committee on 25 February 2016)

Appendix J - Latest information on precepting authorities (only in Council report)

Appendix K - Town and Parish Council precepts

and council tax rates (only in Council report)

Appendix L - Council tax setting  
recommendations (only in Council report)

Appendix M - Council tax rates across the district  
(only in Council report)

**Background Papers:**

Report to Council 17 February 2015 - Budget and  
Council Tax Setting 2015/16

Report to Cabinet 17 September 2015 - Financial  
Prospects and Budget Strategy 2016/17 and  
Beyond

Report to Housing and Health Advisory  
Committee 22 September 2015, Economic and  
Community Development Advisory Committee 24  
September 2015, Direct and Trading Advisory  
Committee 6 October 2015, Legal and  
Democratic Services Advisory Committee 8  
October 2015, Planning Advisory Committee 13  
October 2015, Finance Advisory Committee 17  
November 2015, Policy and Performance Advisory  
Committee 26 November 2015 - Budget 2016/17:  
Review of Service Dashboards and Service Change  
Impact Assessments (SCIAs)

Report to Cabinet 3 December 2015 - Draft  
Budget 2016/17

Report to Cabinet 14 January 2016 - Draft Budget  
2016/17 Update

**Adrian Rowbotham  
Chief Finance Officer**

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2016/17 Budget Setting Timetable

	Date	Committee
<b>Stage 1</b>		
Financial Prospects and Budget Strategy 2016/17 and Beyond	1 September	Finance AC
	17 September	Cabinet
↓		
<b>Stage 2</b>		
Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	22 September	Housing & Health AC
	24 September	Economic & Comm. Dev. AC
	6 October	Direct & Trading AC
	8 October	Legal & Dem. Svs AC
	13 October	Planning AC
	17 November	Finance AC
	26 November	Policy & Performance AC
↓		
<b>Stage 3</b>		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	3 December	Cabinet
↓		
<b>Stage 4</b>		
Budget Update (incl. Government Support information)	14 January	Cabinet
↓		
<b>Stage 5</b>		
<i>Budget Update and further review of Service Change Impact Assessments (if required)</i>	<i>January - February</i>	<i>Advisory Committees</i>
↓		
<b>Stage 6</b>		
Budget Setting Meeting (Recommendations to Council)	4 February	Cabinet
↓		
<b>Stage 7</b>		
Budget Setting Meeting (incl. Council Tax setting)	16 February	Council

Note: The Scrutiny Committee may 'call in' items concerning the budget setting process.

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Ten Year Budget - Revenue

	Budget 2015/16	Plan 2016/17	Plan 2017/18	Plan 2018/19	Plan 2019/20	Plan 2020/21	Plan 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25	Plan 2025/26
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>											
Net Service Expenditure c/f	14,136	14,253	13,689	14,261	14,512	14,672	15,223	15,577	15,938	16,306	16,679
Inflation	473	569	506	622	446	638	454	461	468	473	478
Superannuation Fund deficit: actuarial increase	0	(721)	300	0	0	200	0	0	0	0	0
Net savings (approved in previous years)	(356)	(13)	(162)	(271)	(216)	(187)	0	0	0	0	0
<b>New growth</b>	<b>0</b>	<b>88</b>	<b>28</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New savings/Income</b>	<b>0</b>	<b>(487)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
Net Service Expenditure b/f	14,253	13,689	14,261	14,512	14,672	15,223	15,577	15,938	16,306	16,679	17,057
<b>Financing Sources</b>											
Government Support											
: Revenue Support Grant	(1,516)	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	(1,818)	0	0	0	0	0	0	0	0	0	0
Council Tax	(9,298)	(9,615)	(9,923)	(10,240)	(10,565)	(10,899)	(11,242)	(11,594)	(11,956)	(12,328)	(12,710)
Locally Retained Business Rates	(1,934)	(1,951)	(1,989)	(2,048)	(2,113)	(2,155)	(2,198)	(2,242)	(2,287)	(2,333)	(2,380)
Collection Fund Surplus		(333)	0	0	0	0	0	0	0	0	0
Interest Receipts	(301)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Property Investment Strategy Income	0	(500)	(500)	(1,132)	(1,276)	(1,276)	(1,276)	(1,276)	(1,376)	(1,376)	(1,376)
Contributions to/(from) Reserves	(233)	100	(353)	(353)	(353)	(353)	(353)	(179)	(179)	(635)	148
<b>Total Financing</b>	<b>(15,100)</b>	<b>(12,549)</b>	<b>(13,015)</b>	<b>(14,023)</b>	<b>(14,557)</b>	<b>(14,933)</b>	<b>(15,319)</b>	<b>(15,541)</b>	<b>(16,048)</b>	<b>(16,922)</b>	<b>(16,568)</b>
<b>Budget Gap (surplus)/deficit</b>	<b>(847)</b>	<b>1,140</b>	<b>1,246</b>	<b>489</b>	<b>115</b>	<b>290</b>	<b>258</b>	<b>397</b>	<b>258</b>	<b>(243)</b>	<b>489</b>
Contribution to/(from) Stabilisation Reserve	847	(1,140)	(1,246)	(489)	(115)	(290)	(258)	(397)	(258)	243	(489)
<b>Unfunded Budget Gap (surplus)/deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Assumptions	
Revenue Support Grant:	-100% in 16/17
Locally Retained Business Rates:	2% all years
Council Tax:	2% in all years
Interest Receipts:	£250,000 16/17 onwards
Property Inv. Strategy:	£500,000 from 16/17, £700,000 from 18/19, £800,000 23/24 onwards. Sennocke and Bradbourne development income included from 2018/19.
Pay award:	1% in 16/17 - 19/20, 2% later years
Other costs:	2.25% in all years
Income:	2.5% all years

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Summary of the Council's Agreed Savings and Growth Items

Appendix C

SCIA		Description	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000	Total £000
Year	No.									
		<b>Direct and Trading Advisory Committee</b>								
		No savings or growth agreed from 2016/17 onwards								
		<b>Economic and Community Development Advisory Committee</b>								
2014/15	2	Economic Development & Property Team - SCIA originally called 'Broadband and business growth' (reversal of temporary growth item)						(50)	(30)	
		<b>Finance Advisory Committee</b>								
2011/12	62,63	Staff terms and conditions - savings agreed by Council 18/10/11						(143)	(836)	
2015/16	1	Staffing: Employers National Insurance increase from April 2016 - implications due to change in legislation						200		
2015/16	10	External Audit fee reduction (reversal of temporary saving item)							30	
2015/16	11	Dartford BC partnerships: revised split of costs (reversal of temporary saving item)						90		
		<b>Housing and Health Advisory Committee</b>								
2015/16	17	Housing Advice: Bed and breakfast reduction (reversal of temporary saving item)						10		
2015/16	18	Housing Advice: Private sector letting scheme (reversal of temporary saving item)						10		
		<b>Legal and Democratic Services Advisory Committee</b>								
		No savings or growth agreed from 2016/17 onwards								
		<b>Planning Advisory Committee</b>								
2014/15	15	Planning: Use CIL funds for monitoring						(50)		
		<b>Policy and Performance Advisory Committee</b>								
2014/15	18	Corporate Projects (reversal of temporary growth item)						(60)		
2014/15	21	Customer Services: Channel shift programme						(20)		
		<b>Total Savings</b>	<b>(2,984)</b>	<b>(841)</b>	<b>(314)</b>	<b>(479)</b>	<b>(533)</b>	<b>(103)</b>	<b>(806)</b>	<b>(6,060)</b>
		<b>Total Growth</b>	<b>371</b>	<b>45</b>	<b>50</b>	<b>327</b>	<b>177</b>	<b>90</b>	<b>(30)</b>	<b>1,030</b>
		<b>Net Savings</b>	<b>(2,613)</b>	<b>(796)</b>	<b>(264)</b>	<b>(152)</b>	<b>(356)</b>	<b>(13)</b>	<b>(836)</b>	<b>(5,030)</b>

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## New Growth and Savings Proposals

Proposal shown as 'New Growth' on the attached 10-year budget						
SCIA Year	No.	Description	Year	Ongoing	Annual Impact £000	10-year Budget Impact £000
<b>Growth</b>						
<b>Policy and Performance Advisory Committee</b>						
2016/17	1	Economic Development & Property: Staffing establishment levels made permanent	2016/17	yes	88	1,342
<b>Total</b>					<b>88</b>	<b>1,342</b>

Proposals not included on the attached 10-year budget						
SCIA Year	No.	Description	Year	Ongoing	Annual Impact £000	10-year Budget Impact £000
<b>Growth</b>						
<b>Direct and Trading Advisory Committee</b>						
2016/17	2	Street Cleaning: Fly-tipping clearance and enforcement action	2016/17	yes	36	360
<b>Economic and Community Development Advisory Committee</b>						
none						
<b>Finance Advisory Committee</b>						
2016/17	4	Facilities Management: Loss of asset maintenance income	2016/17	yes	13	130
2016/17	5	Facilities Management: Asset maintenance at Hever Road Travellers Site	2016/17	yes	30	300
2016/17	6	Finance: Insurance Premium Tax increase	2016/17	yes	12	120
<b>Housing and Health Advisory Committee</b>						
none						
<b>Legal and Democratic Services Advisory Committee</b>						
2016/17	7	Register of Electors: Individual Electoral Registration	2016/17	yes	40	400
<b>Planning Advisory Committee</b>						
none						
<b>Policy and Performance Advisory Committee</b>						
none						
<b>Sub Total</b>					<b>131</b>	<b>1,310</b>

Proposals not included on the attached 10-year budget						
SCIA Year	No.	Description	Year	Ongoing	Annual Impact £000	10-year Budget Impact £000
<b>Savings</b>						
<b>Direct and Trading Advisory Committee</b>						
2016/17	8	Playgrounds: Reduction in asset maintenance	2016/17	5 yrs	(7)	(35)
2016/17	9	Public Conveniences: Reduction in asset maintenance	2016/17	5 yrs	(8)	(40)
<b>Economic and Community Development Advisory Committee</b>						
2016/17	10	Youth: Reduction in contributions to projects	2016/17	yes	(10)	(100)
<b>Finance Advisory Committee</b>						
2016/17	11	Facilities Management: Reduction in utility costs	2016/17	yes	(15)	(150)
2016/17	12	Facilities Management: Reduction in maintenance and consumables cost	2016/17	yes	(66)	(660)
2016/17	13	Facilities Management: Increased print income	2016/17	yes	(10)	(100)
2016/17	14	Various partnerships: Revised split of costs	2016/17	yes	(70)	(700)
2016/17	15	Finance: Partnership work covered within existing resources	2016/17	yes	(72)	(720)
<b>Housing and Health Advisory Committee</b>						
2016/17	16	Housing Advice & Standards: Housing Register	2016/17	yes	(15)	(150)
2016/17	17	Disabled Facility Grants: Fee income	2016/17	yes	(20)	(200)
2016/17	18	Private Sector Lettings (PSL) scheme: reduced contribution	2016/17	yes	(5)	(50)
<b>Legal and Democratic Services Advisory Committee</b>						
none						
<b>Planning Advisory Committee</b>						
2016/17	19	Planning: Efficiency review	2016/17	yes	(20)	(200)
<b>Policy and Performance Advisory Committee</b>						
2016/17	20	Pay costs saving	2016/17	yes	(300)	(3,000)
<b>Sub Total</b>					<b>(618)</b>	<b>(6,105)</b>
<b>Net Savings Total</b>					<b>(487)</b>	<b>(4,795)</b>

## Summary of Council Expenditure &amp; Council Tax

	2015/16 Budget Net Expenditure £000	2016/17 Budget Net Expenditure £000
<b>Service expenditure before Support Services and Capital Charges including trading accounts (see Appendix F)</b>	14,485	13,914
Capital Charges and Support Services charged outside the General Fund	(232)	(225)
<b>Sub Total</b>	14,253	13,689
Non allocated expenditure:		
Collection Fund adjustment	0	0
<b>Net Service Expenditure excluding Capital Charges</b>	<u>14,253</u>	<u>13,689</u>
Revenue Support Grant inc CTS	(1,516)	0
Retained Business Rates	(1,934)	(1,951)
New Homes Bonus	(1,818)	0
Council Tax Requirement - Sevenoaks DC	(9,298)	(9,615)
Collection Fund Surplus	0	(333)
<b>Grant &amp; Council Tax income</b>	<u>(14,566)</u>	<u>(11,899)</u>
<b>Net Expenditure after Grant &amp; Council Tax, before interest</b>	(313)	1,790
Less: Interest and Investment income	(301)	(250)
Less: Property Investment Strategy Income	0	(500)
<b>Amount to be met from Reserves</b>	<u>(614)</u>	<u>1,040</u>
Contributions (to) / from reserves		
Earmarked Reserves		
Capital	(148)	(148)
Budget Stabilisation	(847)	1,020
New Homes Bonus	(120)	0
Financial Plan	501	501
Corporate Project Support	0	(333)
Planned contribution from General Fund Reserve	0	0
	<u>(614)</u>	<u>1,040</u>

	2014/15	2015/16	2016/17
Taxbase	47,629	48,209	48,549
	£	£	£
Council Tax @ Band D	189.18	192.87	

**Council Tax Summary**

Band D charge

			%	%
Kent County	1,068.66	1,089.99	69.2	
Kent Fire	69.30	70.65	4.5	
Kent Police	144.28	147.15	9.3	
	1,282.24	1,307.79	83.1	0
Sevenoaks District	189.18	192.87	12.2	
Average Town/Parish	73.41	73.95	4.7	
	<b>1,544.83</b>	<b>1,574.61</b>	<b>100.0</b>	<b>0</b>

**Interest Receipts Summary**

Investment interest	328	277
Mortgage and other interest	0	0
Allocations to Provisions	-27	-27
Net Revenue contribution	<u>301</u>	<u>250</u>



## Net Service Expenditure analysed by Head of Service

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
Summary	£'000	£'000	£'000
Communities and Business	839	1,054	1,061
Corporate Support	3,247	3,325	3,372
Environmental and Operational Services	2,633	2,514	2,660
Financial Services	4,847	4,997	4,212
Housing	725	730	735
Legal and Governance	541	634	668
Planning Services	1,060	1,295	1,288
	<b>13,892</b>	<b>14,549</b>	<b>13,996</b>
Direct Services		-64	-82
Items outside General Fund		-232	-225
		<b>14,253</b>	<b>13,689</b>

	Actuals 14/15 £'000	Budget 15/16 £'000	Proposed Budget 16/17 £'000
<b>Summary</b>			
Pay Costs	9,761	10,887	11,156
Premises and Grounds	1,866	1,557	1,589
Transport	64	64	65
Supplies & Services	2,301	2,185	2,217
Supplies & Services IT	1,093	832	850
Agency & Contracted	4,513	4,221	3,272
Agency & Contracted - Partnerships	3,178	2,968	3,021
Agency & Contracted - Direct Services	3,695	3,746	3,878
Transfer Payments - Benefits	29,739	29,090	29,590
Transfer Payments - Other	47	27	38
Support Services	126	50	51
Funds drawn to/from Reserves	509	-205	-154
Income - Other	-33,054	-31,442	-31,852
Income - Fees and Charges	-6,859	-5,991	-6,226
Recharges	-250	-281	-281
Recharges - Partnerships	-2,835	-3,159	-3,217
Service expenditure before re-allocation of Support Services and Capital charges	13,892	14,549	13,996
Direct Services (net)		-64	-82
Items outside General Fund		-232	-225
		14,253	13,689

**Analysis of budget changes between 15/16 and 16/17**

Base Budget 2015/16		14,253
Inflation		569
Other Items in Financial Plan		-721
Net Savings agreed previous years		-13
New Growth		88
New savings/income		-487
Other adjustments		0
<b>Proposed Budget 2016/17</b>		<b>13,689</b>

*Note 1 15/16 includes costs previously shown as Staff Costs - Other Chief Officers*

## Net Service Expenditure analysed by Chief Officer

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
	£'000	£'000	£'000
<b>Communities and Business</b>			
Arts Development	0	0	0
All Weather Pitch	-2	-2	-5
Broadband	2	-0	0
Business Area Improvement Fund	0	0	0
Community Safety	183	173	178
Community Development Service Provisions	-5	-5	-5
The Community Plan	46	49	50
Dunton Green Project	0	0	0
Economic Development	76	49	51
Economic Development Property	0	242	247
Grants to Organisations	181	184	185
Health Improvements	45	34	35
Healthy Lifestyles (SDC)	0	0	0
Leisure Contract	207	227	230
Leisure Development	20	20	20
Local Strategic Partnership	0	0	0
Partnership - Home Office	-0	0	0
Property Investment Strategy	0	0	0
Administrative Expenses - Communities & Business	7	14	15
Tourism	32	31	32
Choosing Health WK PCT	0	0	0
Community Sports Activation Fund	-0	0	0
Falls Prevention	0	0	0
Business Flood Support Scheme	0	0	0
Repair & Renew Flood Support Scheme	-0	0	0
PCT Health Checks	0	0	0
New Ash Green	0	0	0
PCT Initiatives	-0	0	0
Sportivate Inclusive Archery Project	0	0	0
Troubled Families Project	-0	0	0
West Kent Partnership	0	-0	0
West Kent Partnership Business Support	0	0	0
Youth	47	38	28
<b>Total Service Expenditure</b>	<b>839</b>	<b>1,054</b>	<b>1,061</b>

Net Service Expenditure analysed by Chief Officer

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
	£'000	£'000	£'000
<b>Corporate Support</b>			
Asset Maintenance Argyle Road	10	69	70
Asset Maintenance Other Corporate Properties	47	30	31
Asset Maintenance Hever Road	34	6	36
Asset Maintenance IT	260	263	269
Asset Maintenance Leisure	198	167	171
Asset Maintenance Support & Salaries	88	92	93
Asset Maintenance Sewage Treatment Plants	39	8	8
Bus Station	16	15	15
Corporate Projects	85	0	0
Estates Management - Buildings	-74	-37	-21
Housing Premises	-4	-1	-0
Administrative Expenses - Corporate Support	29	27	24
Administrative Expenses - Human Resources	14	14	10
Administrative Expenses - Property	2	4	4
Support - Central Offices	493	430	426
Support - Contact Centre	387	441	449
Support - Central Offices - Facilities	246	247	238
Support - General Admin	241	276	275
Support - IT	765	906	930
Support - Local Offices	61	56	57
Support - Nursery	3	0	0
Support - Human Resources	271	272	249
Support - Property Function	34	39	37
<b>Total Service Expenditure</b>	<b>3,247</b>	<b>3,325</b>	<b>3,372</b>

	Actuals	Budget	Proposed
	14/15	15/16	Budget
	£'000	£'000	16/17
			£'000
<b>Corporate Support</b>			
Pay Costs	1,585	1,717	1,721
Premises and Grounds	1,139	936	969
Transport	4	6	6
Supplies & Services	470	379	373
Supplies & Services IT	808	712	727
Agency & Contracted	148	113	116
Agency & Contracted - Direct Services	10	10	10
Transfer Payments - Other	3	0	0
Support Services	39	39	40
Funds drawn to/from Reserves	-160	0	0
Income - Other	-179	-145	-145
Income - Fees and Charges	-429	-304	-307
Recharges	-60	-69	-69
Recharges - Partnerships	-133	-69	-69
<b>Service expenditure before re-allocation of Support Services and Capital charges</b>	<b>3,247</b>	<b>3,325</b>	<b>3,372</b>

#### Analysis of budget changes between 15/16 and 16/17

<b>Base Budget 2015/16</b>	3,325
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	94
Asset maintenance inflation	9
<b>Planned Savings agreed previous years</b>	
SCIA 21 Channel Shift Programme	-20
<b>SCIAs 2016/17</b>	
SCIA 04 Loss of Asset Maintenance Income	13
SCIA 05 Asset maintenance at Hever Road	30
SCIA 06 Insurance Premium Tax (part)	1
SCIA 11 Reduction in Utility cost	-15
SCIA 12 Reductions in maintenance and consumables costs (part)	-15
SCIA 13 Increased Print Income	-10
SCIA 20 Pay costs saving (part)	-40
<b>Other Adjustments between Chief Officers</b>	0
<b>Proposed Budget 2016/17</b>	<b>3,372</b>

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Proposed
	14/15	15/16	Budget
	£'000	£'000	16/17
			£'000
<b>Environmental and Operational Services</b>			
Asset Maintenance Car Parks	20	19	19
Asset Maintenance CCTV	15	16	17
Asset Maintenance Countryside	5	8	8
Asset Maintenance Direct Services	49	37	37
Asset Maintenance Playgrounds	1	14	8
Asset Maintenance Public Toilets	0	14	7
Building Control Discretionary Work	3	-9	-9
Building Control Partnership Hub (SDC Costs)	0	-0	0
Building Control	-113	-159	-128
Car Parks	-1,658	-1,797	-1,841
Car Parking - On Street	-440	-442	-447
CCTV	260	238	243
Civil Protection	26	34	38
Dangerous Structures	19	10	10
Dartford Environmental Hub (SDC Costs)	0	-0	0
EH Commercial	257	260	279
EH Animal Control	24	1	1
EH Environmental Protection	377	368	366
Emergency	61	64	66
Estates Management - Grounds	125	98	102
Kent Resource Partnership	0	0	0
Land Charges	-116	-98	-139
Licensing Partnership Hub (Trading)	0	-0	0
Licensing Partnership Members	0	0	0
Licensing Regime	10	-0	7
Markets	-183	-190	-187
Parks and Recreation Grounds	118	98	100
Parks - Rural	62	103	109
Building Control Partnership Implementation & Projec	0	0	0
Public Transport Support	0	0	0
Refuse Collection	2,359	2,415	2,502
Administrative Expenses - Building Control	5	9	9
Administrative Expenses - Direct Services	0	0	0
Administrative Expenses - Health	11	26	21
Administrative Expenses - Transport	10	10	8
Street Naming	5	15	15
Street Cleansing	1,235	1,255	1,334
Support - Health and Safety	14	18	19
Support - Direct Services	39	54	56
Taxis	-26	-18	-13
Public Conveniences	56	43	45
Air Quality (Ext Funded)	3	0	0
<b>Total Service Expenditure</b>	<b>2,633</b>	<b>2,514</b>	<b>2,660</b>

	Actuals	Budget	Proposed
	14/15	15/16	Budget
	£'000	£'000	16/17
			£'000
<b>Environmental and Operational Services</b>			
Pay Costs	2,230	2,343	2,398
Premises and Grounds	632	567	568
Transport	39	33	34
Supplies & Services	559	558	565
Supplies & Services IT	102	0	0
Agency & Contracted	423	373	417
Agency & Contracted - Partnerships	978	1,018	1,050
Agency & Contracted - Direct Services	3,684	3,736	3,868
Transfer Payments - Other	0	0	0
Support Services	19	11	11
Funds drawn to/from Reserves	0	0	0
Income - Other	-768	-623	-596
Income - Fees and Charges	-4,851	-4,440	-4,554
Recharges	2	0	0
Recharges - Partnerships	-418	-1,062	-1,101
<b>Service expenditure before re-allocation of Support Services and Capital charges</b>	<b>2,633</b>	<b>2,514</b>	<b>2,660</b>

#### Analysis of budget changes between 15/16 and 16/17

<b>Base Budget 2015/16</b>	2,513
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	131
Planned Savings agreed previous years	0
<b>SCIAs 2016/17</b>	
SCIA 02 Fly Tipping	36
SCIA 06 Insurance Premium Tax (part)	4
SCIA 08 Playgrounds Asset maintenance	-7
SCIA 09 Toilets Asset maintenance	-8
SCIA 12 Reductions in maintenance and consumables costs (part)	-9
Other Adjustments between Chief Officers	0
<b>Proposed Budget 2016/17</b>	<b>2,660</b>

Net Service Expenditure analysed by Chief Officer

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
	£'000	£'000	£'000
<b>Financial Services</b>			
Action and Development	4	7	7
Benefits Admin	642	794	785
Benefits Grants	-659	-659	-659
Consultation and Surveys	0	4	4
Corporate Management	863	1,092	1,119
Corporate Savings	0	-163	-379
Counter Fraud	0	0	92
Dartford Partnership Hub (SDC costs)	0	0	0
Equalities Legislation	14	18	18
External Communications	174	150	153
Housing Advances	1	2	1
Local Tax	86	120	46
Members	377	418	427
Misc. Finance	2,604	2,410	1,802
Dartford Partnership Implementation & Project Costs	0	-30	0
Performance Improvement	-20	6	-1
Administrative Expenses - Chief Executive	10	36	29
Administrative Expenses - Financial Services	31	35	34
Administrative Expenses - Transformation and Strategy	4	6	5
Support - Audit Function	134	146	176
Support - Exchequer and Procurement	137	135	137
Support - Finance Function	150	213	149
Support - General Admin	175	145	152
Treasury Management	121	112	114
<b>Total Service Expenditure</b>	<b>4,847</b>	<b>4,997</b>	<b>4,212</b>



## Net Service Expenditure analysed by Chief Officer

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
	£'000	£'000	£'000
<b>Housing</b>			
Energy Efficiency	26	25	43
Gypsy Sites	-19	-30	-31
Homeless	94	79	92
Disabled Facilities Grant Administration	1	0	-20
Housing	437	438	432
Housing Initiatives	6	13	6
Homelessness Prevention	4	0	0
Needs and Stock Surveys	0	0	0
Housing Energy Retraining Options (HERO)	0	0	0
Private Sector Housing	153	178	185
Administrative Expenses - Housing	12	18	18
Sevenoaks Switch and Save	2	0	0
Homelessness Funding	0	-0	0
Leader Programme	10	10	10
<b>Total Service Expenditure</b>	<b>725</b>	<b>730</b>	<b>735</b>

	Actuals 14/15 £'000	Budget 15/16 £'000	Proposed Budget 16/17 £'000
<b>Housing</b>			
Pay Costs	662	757	785
Premises and Grounds	37	11	9
Transport	0	0	0
Supplies & Services	15	22	22
Supplies & Services IT	1	0	0
Agency & Contracted	208	158	134
Agency & Contracted - Direct Services	0	0	0
Transfer Payments - Other	31	27	38
Funds drawn to/from Reserves	33	13	10
Income - Other	-211	-188	-171
Income - Fees and Charges	-52	-70	-92
Recharges	0	0	0
<b>Service expenditure before re-allocation of Support Services and Capital charges</b>	<b>725</b>	<b>730</b>	<b>735</b>
<b>Analysis of budget changes between 15/16 and 16/17</b>			
<b>Base Budget 2015/16</b>			730
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)			28
<b>Planned Savings agreed previous years</b>			
SCIA 17 (15/16) Bed and Breakfast - reverse one off saving			10
SCIA 18 (15/16) Private Sector Letting - reverse one-off saving			10
<b>SCIAs 2016/17</b>			
SCIA 12 Reductions in maintenance and consumables costs (part)			-3
SCIA 16 Housing Register			-15
SCIA 17 Disabled Facility Grants - fee income			-20
SCIA 18 Private Sector Lettings Reduced Contribution			-5
<b>Other Adjustments between Chief Officers</b>			0
<b>Proposed Budget 2016/17</b>			<b>735</b>

## Net Service Expenditure analysed by Chief Officer

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
	£'000	£'000	£'000
<b>Legal and Governance</b>			
Civic Expenses	15	15	16
Democratic Services	112	139	132
Elections	57	73	80
Register of Electors	131	139	184
Administrative Expenses - Legal and Governance	63	65	49
Support - Legal Function	162	202	208
	<hr/>		
<b>Total Service Expenditure</b>	<b>541</b>	<b>634</b>	<b>668</b>
	<hr/> <hr/>		

	Actuals 14/15 £'000	Budget 15/16 £'000	Proposed Budget 16/17 £'000
<b>Legal and Governance</b>			
Pay Costs	457	473	446
Premises and Grounds	24	25	26
Transport	8	11	12
Supplies & Services	209	206	193
Supplies & Services IT	19	10	11
Agency & Contracted	101	155	199
Funds drawn to/from Reserves	18	-60	-60
Income - Other	-240	-148	-148
Income - Fees and Charges	-56	-40	-10
	<hr/>		
<b>Service expenditure before re-allocation of Support Services and Capital charges</b>	<b>541</b>	<b>634</b>	<b>668</b>
	<hr/> <hr/>		

**Analysis of budget changes between 15/16 and 16/17**

<b>Base Budget 2015/16</b>	634
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	38
<b>Planned Savings agreed previous years</b>	0
<b>SCIAS 2016/17</b>	
SCIA 7 Individual Electoral Registration	40
SCIA 12 Reductions in maintenance and consumables costs (part)	-17
<b>Other Adjustments between Chief Officers</b>	
SCIA 21 15/16 Back Office Savings - reallocated	-27
	<hr/>
<b>Proposed Budget 2016/17</b>	<b>668</b>
	<hr/> <hr/>

Net Service Expenditure analysed by Chief Officer

	Actuals 14/15	Budget 15/16	Proposed Budget 16/17
	£'000	£'000	£'000
<b>Planning Services</b>			
Conservation	40	46	48
Planning Policy	459	389	457
LDF Expenditure	53	0	0
Neighbourhood Plan	0	0	0
Planning - Appeals	180	196	193
Planning - CIL Administration	3	0	-50
Planning - Counter	-0	-0	0
Planning - Development Management	71	352	324
Planning - Enforcement	249	279	282
Fort Halstead	-22	0	0
Administrative Expenses - Planning Services	28	34	35
Administrative Expenses - Policy and Environment	0	0	0
<b>Total Service Expenditure</b>	<b>1,060</b>	<b>1,295</b>	<b>1,288</b>

	Actuals 14/15 £'000	Budget 15/16 £'000	Proposed Budget 16/17 £'000
<b>Planning Services</b>			
Pay Costs	1,653	1,820	1,876
Premises and Grounds	0	1	1
Transport	1	0	0
Supplies & Services	89	63	65
Supplies & Services IT	21	2	2
Agency & Contracted	112	84	85
Transfer Payments - Other	12	0	0
Funds drawn to/from Reserves	107	61	76
Income - Other	-5	0	0
Income - Fees and Charges	-931	-716	-797
Recharges	0	-20	-20
<b>Service expenditure before re-allocation of Support Services and Capital charges</b>	<b>1,060</b>	<b>1,295</b>	<b>1,288</b>

**Analysis of budget changes between 15/16 and 16/17**

<b>Base Budget 2015/16</b>	1,295
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	69
<b>Planned Savings agreed previous years</b>	
SCIA 15 (14/15) Use of CIL Funds for Monitoring	-50
<b>SCIAs 2016/17</b>	
SCIA 12 Reductions in maintenance and consumables costs (part)	-6
SCIA 19 Efficiency Review	-20
<b>Other Adjustments between Chief Officers</b>	0
<b>Proposed Budget 2016/17</b>	<b>1,288</b>

PAY COST ESTIMATES SUMMARY 2016/2017

Line No.		2015/16 BUDGET	2016/17 BUDGET	2015/16 FTE	2016/17 FTE
1	Communities and Business	618,119	645,741	13.73	13.73
2	Corporate Support	1,948,120	1,960,430	60.23	57.85
3a	Building Control	434,418	448,525	10.61	10.61
3b	Environmental Health	613,910	629,203	12.57	12.18
3c	Licensing	288,563	299,869	8.62	8.62
3d	Operational Services	583,244	598,254	13.99	13.99
3e	Operational Services (TASK)	2,821,290	2,858,125	91.02	90.56
3f	Parking & Amenity Services	428,563	428,244	12.00	12.00
4	Finance	2,563,854	2,643,886	64.72	64.72
5	Housing	602,973	631,696	12.35	11.54
6	Legal & Governance	576,674	538,472	12.31	10.50
7	Planning	1,839,584	1,897,099	45.80	45.48
		<b>13,319,312</b>	<b>13,579,543</b>	<b>357.95</b>	<b>351.78</b>
	<b>Other Salary Costs</b>				
8	Vacancy Savings	-100,000	-100,000	-	-
	<b>SUB-TOTAL</b>	<b>13,219,312</b>	<b>13,479,543</b>	<b>357.95</b>	<b>351.78</b>
9	Community Development (Ext Funded)	165,393	216,183	5.23	6.23
10	Operational Services (Ext Funded)	-	0	-	-
11	Operational Services TASK (Ext Funded)	-	0	-	-
12	Development Services (Ext Funded)	-	0	-	-
13	Housing (Ext Funded)	221,719	248,890	6.09	6.51
	<b>GRAND TOTAL</b>	<b>13,606,424</b>	<b>13,944,616</b>	<b>369.27</b>	<b>364.51</b>

NOTES

1) Externally funded posts (lines 9 to 13) have been excluded from earlier lines. The income will show elsewhere in the 2016/17 budget

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**Statement of Reserves and Provisions**

1. This appendix sets out details of the reserves and provisions held by the council. These balances have been subject to a detailed review as part of the budget process. **The items in bold show the changes that are being recommended.**
2. One of the requirements of the Financial Planning Strategy is to have flexible use of the Budget Stabilisation Reserve. The fund incorporates any annual under-spends and absorbs any annual over-spends. **It is recommended that any variance in the 2015/16 budget is put into this reserve or absorbed by this reserve.**
3. **It is recommended that a Switch and Save Reserve is established.** Income from the Switch and Save Scheme will be used to fund energy efficiency projects.
4. **It is recommended that a Business Rates Retention Reserve is established to manage the volatility in yearly cash flows in the Collection Fund caused by the complexities in the Business Rates Retention Scheme.**
5. The Community Infrastructure Levy (CIL) is a charge on some forms of new development that brings forward money to be spent on the infrastructure needed to support growth. Cabinet have agreed Governance arrangements and a CIL Spending Board has been established which will consider applications from local communities and infrastructure providers. **It is recommended that a Community Infrastructure Levy (CIL) Reserve is established to hold the funds that accumulate to be spent throughout the District.**
6. A Corporate Project Support Reserve is already in place to finance external expertise required for projects (e.g. the website). **It is recommended that £383,000 be transferred into the Corporate Project Support Reserve from the sources listed below to fund future project work including 'invest to save' initiatives.**
  - a. **First Time Sewerage Reserve £50,000.**
  - b. **Collection Fund Surplus £333,000.**
7. Following the senior management restructure **it is recommended that the Re-organisation Reserve is increased by £100,000.**
8. The pension fund position has been reviewed and **it is recommended that the Pension Fund Valuation reserve is reduced by £100,000.**

The table below sets out the reserves and provisions held at 1 April 2015

	01/04/15	Purpose (some further details are included in the Statement of Accounts 2014/15)
<b>Provisions</b>	<b>£000</b>	
Business Rates Appeals	1,804	The change to the Business Rates Retention scheme means that the Council has to provide for its share of the costs arising from successful appeals by business ratepayers.
Accumulated Absences	152	Absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences (e.g. annual leave) earned but not taken in the year. Opposite entry in Unusable Reserves.
Municipal Mutual Insurance (MMI)	257	A solvent run-off of MMI is now unlikely which may result in Councils being liable to clawback of monies paid out.
Other	94	To cover potential restitutionary claims in respect of personal search fees of the land register.
Sub Total	<b>2,307</b>	
<b>Capital Receipts</b>		
Capital Receipts	<b>3,460</b>	Balance from previous asset sales and mortgage repayments. Can be used to fund future capital expenditure.
<b>Earmarked Reserves</b>		
Action and Development	395	To fund ad hoc and unplanned expenditure (including emergencies and flooding).
Asset Maintenance	1,000	To fund emergency works to assets.
Budget Stabilisation	6,704	To support decisions required to continue to produce a balanced budget in future years.
Capital Financing	184	Annual contributions from revenue to fund some capital projects.
Carry Forward Items	336	For specific items agreed by Cabinet, e.g. if a project has slipped between years.
Community and Business	383	External funding received for ongoing and future projects.
Corporate Project Support	200	To fund invest to save projects and external expertise required to investigate proposed projects.
District Elections	106	To finance District Council elections.
Financial Plan	4,160	Funds moved from the Asset Maintenance and Employer's Superannuation Reserves to support the 10-year budget.

First Time Sewerage	366	Transferred from a provision for potential liabilities relating to earlier sewerage installations.
Flood Support	144	To give grants to businesses that have suffered flooding and make claims under the Business Flood Support Scheme.
Health and Safety	100	To fund legal costs.
Homelessness Prevention	103	For preventing homelessness.
Housing Benefit Subsidy	664	Provides a cushion against large movements in reclaimable sums in any year.
Housing Surveys	105	To fund Housing Surveys at the time of need.
IT Asset Maintenance	244	To fund future IT asset maintenance costs.
Local Plan/LDF	634	To help support the Local Plan and Local Development Framework.
New Homes Bonus	379	Due to the uncertainty of future Government funding an element of NHB is being kept separate.
Pension Fund Valuation	640	To contribute towards downturns in future pension fund actuarial valuations.
Property Investment	3,731	To support the aims of the Property Investment Strategy agreed by Council.
Repayable Housing Grant Assistance	117	Part of the grant may be repayable when the conditions are no longer met e.g. house sold.
Re-organisation	465	To fund actions taken to achieve annual budget savings.
Vehicle Insurance	293	Own vehicle damage for the commercial vehicle fleet. Contributions are made from the trading accounts.
Vehicle Renewal	419	Vehicle replacement for the commercial vehicle fleet. Contributions are made from the revenue trading accounts each year
Others (under £100,000)	446	Includes Rent Deposit Guarantee, Local Strategic Partnership, Housing Benefit, Big Community Fund.
Sub Total	<b>22,318</b>	
General Fund	<b>1,500</b>	Acts as a working balance to meet unexpected issues during the year, for which a minimum of 10% of net service expenditure recommended. It also meets any planned deficits on the revenue account.
<b>TOTAL</b>	<b>29,585</b>	

**Definitions:**

**Provisions** - funds set aside for liabilities or losses which are known obligations, but are uncertain as to amounts or dates. Expenditure can be charged direct against the Provision without being reflected in the Revenue Account.

**Capital Receipts** - money received from the sale of assets (normally land and buildings) and the repayment of grants and advances (e.g. mortgage repayments). Such receipts can only be used to repay debt, or to finance capital investment.

**Earmarked Reserve** - amounts set aside for purposes falling outside the definition of Provisions. Expenditure should not be charged direct to reserves, but shown in the Revenue Account with the transfer to or from the reserve distinguished from service expenditure.

**Unallocated Reserve** - the General Fund balance. This amount is not set-aside for a specific purpose.

**Risk Factors 2016/17** (this was Appendix A to the Risks and Assumptions report to Finance Advisory Committee on 25/1/16)

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgetted expenditure or income
Pay Costs	£14m total costs	1	4	4	1% pay increase = £140k. Budget assumptions: 1.0% pay award from 2016/17 to 19/20.	Largest single item of cost. Complex drivers across the organisation.	Pay settlement pending for 2016/17. Strict monitoring of both financials and staff numbers. New salary bands introduced from 1 April 2012 which reduced the costs of annual increments. Formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement.	£140k
Pensions Funding	£25m deficit	1	3	3	1% change in employers contributes = £115k.	Deficit on County Fund. Future actuarial results. Government review.	£0.3m included in 10-year budget in 2017/18 to contribute towards any increase at the next triennial revaluation.	£115k
Major Service Income areas					See below by income type	Income subject to local economic conditions. Some very large single-source income targets (see below).	Strict monitoring, with trend analysis.	
- Land Charges	£0.2m	4	1	4	10% reduction would be £19k.	Volatile activity levels in the housing market. Potential for changes in Land Charges following the Infrastructure Act.	Continue to monitor.	£2k

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgetted expenditure or income
- Development Control	£0.7m	3	3	9	10% reduction would be £72k.	Volatile activity levels in the housing market and general economic conditions. Fluctuations in income with major applications	Current year income is above target. Continue to monitor.	£7k
- Building Control	£0.5m	3	3	9	10% reduction would be £49k	Volatile activity levels in the housing market and general economic conditions. Competition from commercial organisations	Current year income is below target. Continue to monitor.	£5k
Car Parks	£2.1m	1	4	4	10% reduction would be £216k	General economic conditions; central government directives	Current year income is ahead of target. Continue to monitor.	£21.6k
- On-Street Parking	£0.7m	1	3	3	10% reduction would be £73k	General economic conditions. Legislative constraints on spending surpluses. Reverts to KCC control	Current year is above target. Continue to monitor and review.	£14.3k
- Car Parking - Enforcement income	£0.2m	1	2	2	10% reduction would be £15k	General economic conditions; central government directives	Current year is ahead of 14/15 income at similar time of year. Continue to monitor and review	£3.1k
Partnership working and partner contributions	£0.6m	3	2	6	Impact on individual projects is high. (As reported to Legal and Democratic AC in Oct 2015 we save £608k pa by working in Partnerships)	Partner actions delayed. Agreed funding not received by SDC. Partnerships ending.	Separate accounting arrangements. Active liaison with partners on service arrangements Written partnership agreements.	£6k

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgetted expenditure or income
External Funding Awards	£0.5m	3	2	6	Up to £500k Impact on individual projects is high	Time limited.	Exit strategies in place.	£5k
Changes in service demand		3	3	9	Impacts will vary depending on service.		Service planning in place Continue to lobby Government where changes are due to new Gov't requirements.	
Interest Rates	£0.250m 16/17 budget	3	3	9	£215k per 0.5%.  Rate increase predicted for 2016/17	Large cash variance from small rate changes. Reducing availability of suitable counter parties	Use of professional advisers. If internal borrowing is used for capital investment projects in 2016/17 there will be less cash earning bank interest. Realistic budget proposed for 2016/17	£2.5k
Investments	£44m balance at Nov 2015	1	5	5		Financial institutions going into administration.	Investment strategy regularly reviewed by FAC. Use of professional advisers.	n/a
Asset base maintenance	£1.0m	1	2	2	Annual budget is based on 30% of assessed maintenance.	Unexpected problems occurring with financial implications. Reducing budget levels. Ageing assets	Reserve funds set aside. 10 year maintenance planning carried out. Policy of reducing asset liabilities wherever possible.	n/a
Capital Investment resources	£3.5m balance at March 2015 utilised for Investment Property purchase	2	2	4	Risks taken into account in the Capital Programme report.	Capital receipt levels modest.	External funding sought wherever possible. Capital Investment priorities in place. Property Review being pursued to secure asset sales. Internal Borrowing approved for future investments	n/a

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgetted expenditure or income
Rental Income from Investment Property	£0.6m in 2016/17 budget	1	4	4	Dependant on financial strength of tenants + good management to reduce impact of void periods.	Property tenants unable to pay rents/length of void premises/ability to source new tenants	Vetting of new tenants; tight control on rent payments	
Disposal of surplus assets	£1.6m budget in plan (15/16)	2	2	4	Risks taken into account in the Capital Programme and Asset Maintenance report.	Planning conflict. Resources required to bring sites forward.	Land Owner/Planning protocols in place. In-house property team. Planned Property Review disposal programme.	
Government Support: Revenue Support Grant	£1.5m in 2015/16	5	4	20	£15k per 1% change.	Government continues to reduce grant. Uncertainty over future grant receipts for use in investment. Only short term settlements provided.	Excluding grant from budget from 16/17 onwards so SDC will be self sufficient from govt. funding; Adequate level of General Reserve held.	n/a
Government Support: Retained Business Rates	£1.9m in 2015/16	5	4	20	£19k per 1% change	Government changing baseline and therefore safety net levels. Time delays in decisions on appeals. High volume of successful valuation appeals.	10-year budget strategy gives ability to gradually adjust for changes. Adequate level of General Reserve held.	£19k
Council tax Referendum limits	£9.30m CTAX income in 15/16	4	3	12	£93k per 1% Government controls on changes in council tax rates	Council tax increases limited to 2% Impact on council tax base from Local CTAX schemes.	Draft 10-year budget includes council tax increase assumptions for future years.	£93k



Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgetted expenditure or income
Future Service Changes by Government		4	4	16		Additional services without consequent resources, e.g. previous examples of Maint. of trees on common land. Government directives on income charging e.g. Personal searches. Potential changes on health responsibilities.	Monitor proposals. Respond to consultation with local view.	
Fuel cost increases for Direct Services	£0.5m	5	2	10	10% increase would be £50k	Changes in global oil prices.	Continue to monitor fuel usage and efficiency. Vehicle replacement programme.	£5k
Changes to Audit Arrangements		2	2	4		Abolition of Audit Commission in March 2015; change of external auditors	Plan responses to new initiatives well in advance. <i>(appointment of external auditors transfers to Public Sector Audit Appointments Ltd)</i> , Ensure Council organisation design can meet challenges.	

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### Item 7 (a) - Revised Draft Taxi And Private Hire Licensing Policy

The attached report was considered by the Licensing Committee, relevant minute extract below:

#### Licensing Committee - 5 January 2016 (Minute 20)

The Committee considered a draft policy which had been prepared with members of the Taxi Liaison Group with views sought on the Local Authority's strategy to improve the number of wheelchair accessible vehicles within the Hackney Carriage fleet. At the Licensing Committee on 29 September 2015, Members had approved consultation with the taxi trade, the Access Group for Sevenoaks District and residents of the District via the Council's website. The draft taxi licensing policy had been consulted on from 12 October until 11 December 2015. The Council was required to regularly review its Taxi Licensing Policy and the last policy had been published in January 2012. The report summarised the responses received and made recommendations for the Committee to propose to full Council on 16 February 2016 regarding adoption of the policy. The Licensing Partnership Manager highlighted a typographical mistake.

Members particularly considered the wording of Section 4.5 with regards to increasing the number of wheelchair accessible vehicles. The Chairman moved the recommendation as amended by paragraph 30 (a) and (b) of the report which was debated. For legal clarification the wording at paragraph 30 (a) of the report was amended to read 'vehicles requiring a new plate' rather than 'licenses'.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the Taxi and Private Hire Licensing Policy **be recommended for adoption by Full Council** and reviewed by the Committee in September 2017, subject to the following amendments

- i) in order to increase the number of wheelchair accessible vehicles that form part of the fleet for Hackney Carriage vehicles licensed by Sevenoaks District Council, Section 4.5 to include
  - (a) from 1st September 2016 all additional hackney carriage vehicles requiring a new plate, must be wheelchair accessible. That is those that require the issue of a new Hackney Carriage plate number. (This does not apply to replacement vehicles, change of ownership of vehicles or vehicles that are replacing damaged vehicles) and

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- (b) from 1st January 2018 all vehicles that reach the end of their life with respect to being eligible for licensing as a licensed vehicle (i.e. 10 years since the date of its first registration) must be replaced by a wheelchair accessible vehicle. (This does not apply to change of ownership of vehicles or vehicles that are replacing damaged vehicles or a total loss.); and
- ii) '1500cc' be corrected to read '1400cc' at Appendix 5B, paragraph 5 under Environmental Considerations of the draft policy.

**REVISED DRAFT TAXI AND PRIVATE HIRE LICENSING POLICY**

**Council - 16 February 2016**

Report of Chief Officer, Environmental and Operational Services

Status: For Decision

Also considered by Licensing Committee - 5 January 2016

Key Decision: No

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**Executive Summary:** The draft policy attached as Appendix A was prepared in conjunction with members of the Taxi Liaison Group and their views were sought on the Local Authority's strategy to improve the number of wheelchair accessible vehicles within the Hackney Carriage fleet. At the Licensing Committee on 29 September 2015 Members approved consultation on this document with the taxi trade, the Access Group for Sevenoaks District and resident of the District via the Council's website. The draft taxi licensing policy was consulted on from 12 October until 11 December 2015. This authority is required to regularly review its Taxi Licensing Policy and the last policy was published January 2012.

This report summarises the responses that have been received and makes recommendations for the Licensing Committee to propose to full Council on 16 February 2016 regarding adoption of the policy.

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**This report supports the Key Aim of Safe and Caring Communities and Dynamic and Sustainable Economy**

**Portfolio Holder** Cllr. Firth (Legal and Democratic)

**Contact Officer** Mrs. Claire Perry Ext. 7325/07970 731616

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**Recommendation to Licensing Committee:** That the Taxi and Private Hire Licensing Policy be recommended for adoption by Full Council.

**Recommendation to Council:**

That the Taxi and Private Hire Licensing Policy be adopted.

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**Reason for recommendation:** To enable the Council to put in place a robust policy to ensure the public are protected and that there is accessibility for all users of taxis and private hire vehicles.

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### Background

- 1 Sevenoaks District Council has responsibility for licensing Hackney Carriage and Private Hire vehicles, drivers and operators within the District of Sevenoaks. The existing policy was published in January 2012 and it is due to be revised and updated in line with the introduction of the Council's online forms.
- 2 The policy will remain in existence for a period of five years, during which time it shall be kept under review and revised as appropriate or after any significant legislative change.
- 3 Consultation took place for a 9 week period and consultees included all current licensees, interested parties and Sevenoaks Access Group. The list of consultees is outlined in section 2.3, page 5 of the policy.
- 4 There are a number of changes regarding the revised policy and these have been summarised in the table below.

<b>Policy section, page number or subject</b>	<b>Requirement in current policy</b>	<b>Recommendation in revised policy</b>
1, 4	DVLA mandate – not currently in place	DVLA mandate – all new and renewal drivers will be required to sign this mandate as there is no longer a paper part to the driver's licence for Officers to check
2.4, 6	Original documents	Online forms have been included in the policy and the documents that will be required in scanned and hard copy outlined.
3, 7	DBS	A provision for applicants to submit a DBS within 1 month which has been provided by another registered body or to sign up to the DBS online service.
4.5, 15	WAVs – there is no provision regarding them.	WAVs – the Council will consult on a strategy to increase the number of WAVs within the Hackney Carriage

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		fleet.
4.13, 19	Seating capacity	The minimum requirement of 4 seats has been removed. There is no longer a minimum number of seats stipulated.
5.3, 21	Drivers licence – 3 years Vehicle licence – 1 year Operators licence – 3 years	Drivers licence – 3 years Vehicle licence – 1 year Operators licence – 5 years (this has been changed due to a legislative change)
9, 24	Taxi Liaison meetings take place	There is a requirement within the policy for Taxi Liaison meetings to take place
Appendix 1, 26		There have been changes to the length of time that must elapse with some relevant conviction before an applicant will be considered to be licensed.
Appendix 2, 34	Internal vehicle plates had to be in the rear window or quarter window of the vehicles	The internal plate must now be located in the front windscreen.
Appendix 4, 40	No dress code	A voluntary dress code has been introduced.
Appendix 5, 41 Age of vehicle	Will not licence over 10 years old	Wheelchair accessible vehicles will not licence over 15 years old
4.1, 13 CC of vehicles	1500 minimum	1400 minimum
Appendix 5A, 49 Lost property	Hand in to the Police	Notify Licensing Authority and hand in to them
Appendix 2, 34 Category C insurance write offs	Not included	Will not be accepted

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Appendix 5, 44 Disability training	Not included	To be introduced
Safeguarding training	Not included	To be introduced
3.1, 8 Refunds for invalid/not completed applications	Not included	No refunds will be provided
4.3, 14 Roof lights	Not included	Added - If the vehicle is available for hire the roof light must be illuminated.
4.8, 17 Insurance	Not included	Requires all proprietors to provide evidence of continuous insurance cover throughout the period of the licence.
4.14, 19 Seating dimensions	Not included	Minimum standards introduced
3, 8 Good conduct letter for new applicants	Not included	Requirement for all applicants resident in the UK for less than 5 years
3.4, 10 Diabetic drivers	Not included	Group 2 medical standards now include the licensing of drivers with insulin treated diabetes.
10, 24 Departure from the policy	Not included	There may be instances whereby the Council may need to consider applications outside the policy. Where it is necessary to depart substantially from this policy, clear and compelling reasons for doing so will be given. Any such decision may be referred to the Licensing Committee.



- 5 Two meetings were held with the taxi trade in August and September to discuss the introduction of a strategy to increase the number of wheelchair accessible vehicles within the Hackney Carriage fleet.
- 6 This strategy must be introduced in order for the Council to have a plan to increase the existing number of Hackney Carriage wheelchair accessible vehicles (WAVs) which is currently 4 in a fleet of 204 vehicles. [ $< 2\%$ ] Sevenoaks District Council believes there should be equality for all users of the taxi transport system. With this lack of accessible vehicles there is clearly an issue that the District Council must address and rectify.
- 7 The District Council recognises that there is a greater financial burden to proprietors in providing wheelchair accessible vehicles and therefore consultation was carried out with the trade and a number of options were suggested some with a lead in period.
- 8 All 48 Maidstone Borough Council vehicles are wheelchair accessible vehicles. There is a limit on the number of Hackney Carriage vehicles determined by an Unmet Demand Survey paid for by the Hackney Carriage trade.
- 9 Currently 23% of the Tunbridge Wells Hackney Carriage vehicles (107) are wheelchair accessible. There is a limit on the number of Hackney Carriage vehicles determined by an Unmet Demand Survey paid for by the Hackney Carriage trade.

#### **Responses from the consultation**

- 10 The survey that was sent out is attached as Appendix B to this report. The consultation was carried out in a new format to the previous consultations involving the taxis trade. It is pleasing to note of the increase in responses.
- 12 **Results from the consultation survey on Sevenoaks District Council draft Taxi and Private Hire Licensing Policy**

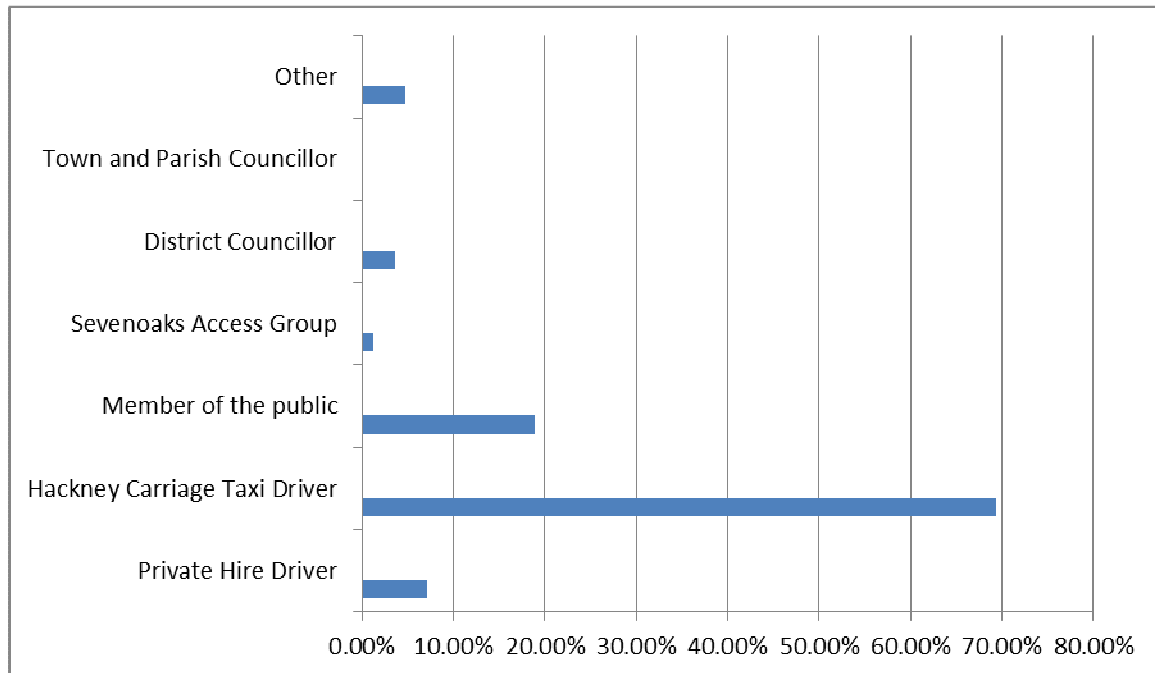
The survey ran from 12<sup>th</sup> October to 11<sup>th</sup> December 2015, and was available both online and in hard copy.

Most people submitted responses online; a total of 4 e-mails were received from individuals offering comments on the policy.

#### **Profile of respondents:**

- 92 people responded as individuals
- 3 were representing another group, two of which were identified as follows: local Sevenoaks residents (although no specific group was named), and the National Taxi Association
- 62 gave licence badge numbers

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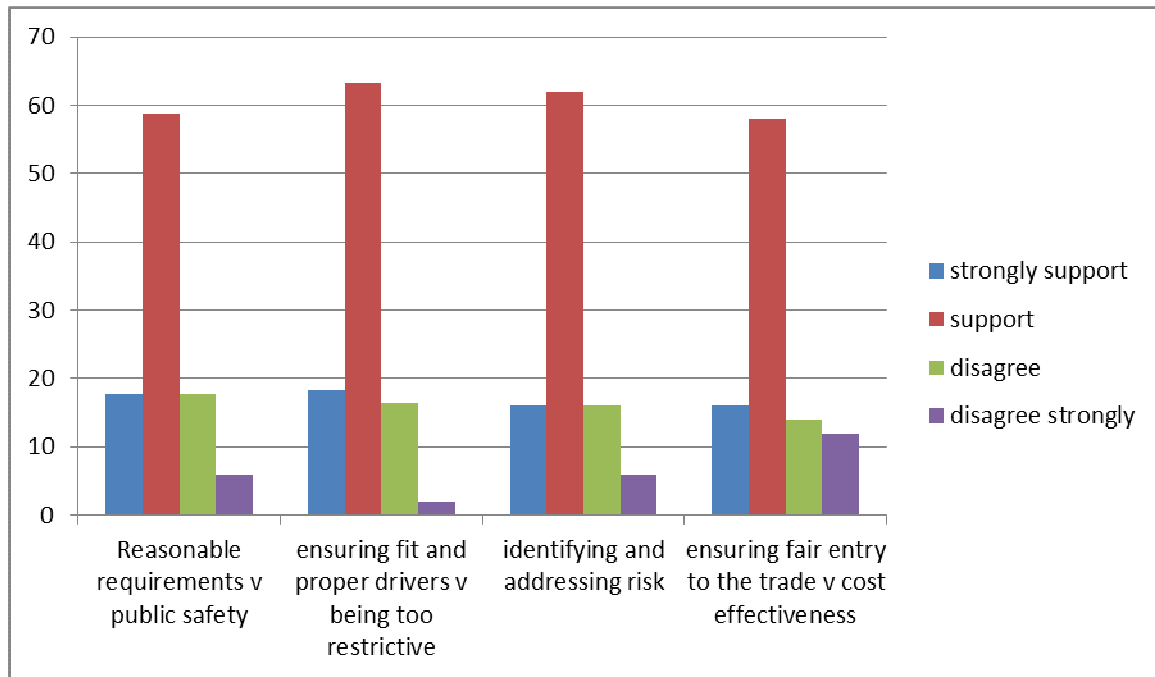


Other categories of respondents identified themselves as: Beeline Taxis Sevenoaks Director, an ex-taxi driver, two operators.

**13 The first part of the survey requested views as to whether we had achieved the right balance in the policy between a range of requirements as identified below:**

- Making reasonable requirements from drivers and ensuring public safety
- Ensuring fit and proper drivers while not being too restrictive
- Identifying and addressing risk
- Ensuring the balance between fair entry to the trade and cost effectiveness

52 responses were received on this section:



The majority of responses believe the Council’s policy has found the right balance between reasonable requirements vs public safety, ensuring fit and proper drivers vs being too restrictive, identifying and addressing risk and ensuring fair entry to the trade vs cost effective.

**14 We asked for views on the levels of support for the voluntary dress code and on training on disability and safeguarding**



37 respondents strongly supported/supported voluntary training on disability and safeguarding; 14 did not



31 respondents strongly supported/supported a voluntary dress code, 19 did not

Again the majority of respondents were in favour of the voluntary dress code. To respond to a comment below, the Council cannot legally enforce a dress code as they are unable to add conditions to a Hackney Carriage Driver’s licence.

**Safeguarding training** - the Council is finalising arrangements to roll out voluntary training in February, March and April for safeguarding and child exploitation. We would expect all our professional drivers who are licensed within Sevenoaks District Council’s area to attend this free training.

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### 15 Additional comments on these questions included the following:

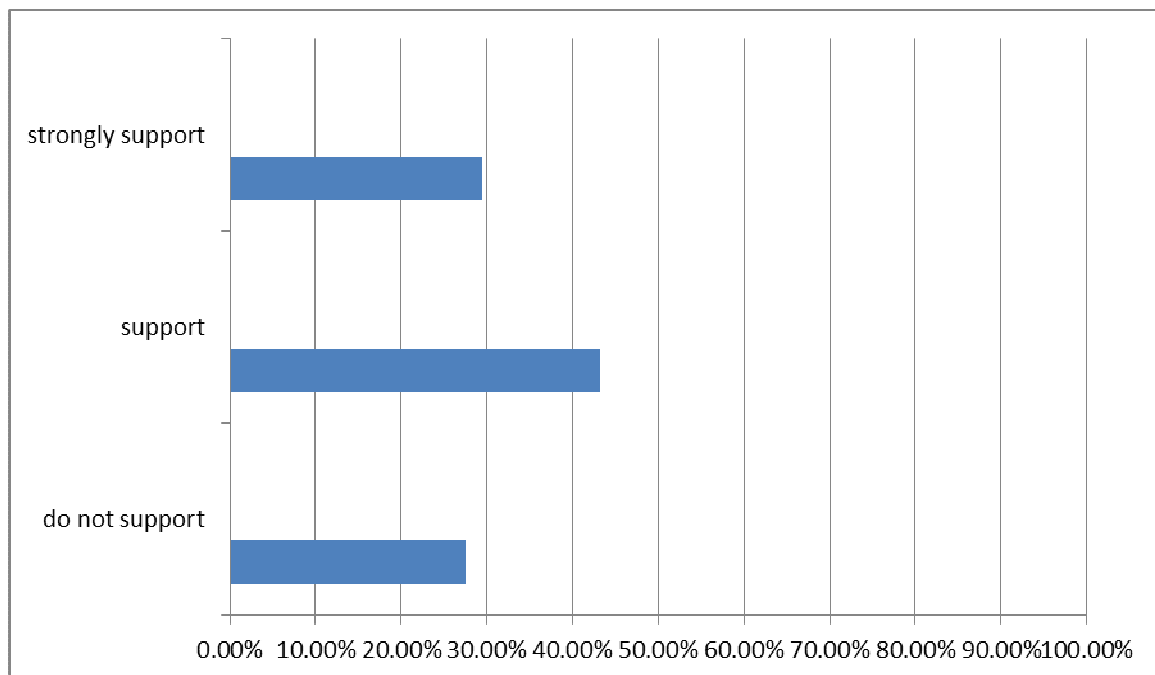
*“If you’re not aware of how to deal with persons who suffer disability, and are unaware of safeguarding children and vulnerable adults in my opinion you should not be in the trade. It is not something that should have a retrospective remedy”*

*“As previously stated at the meeting, I am not sure a “voluntary” dress code will work? There either needs to be a dress code or not, voluntary is not enforceable and can never be challenged, after all it’s voluntary!”*

*“Over recent years, standards in both have fallen. I believe there should be a minimum stated standard of dress code, i.e. smart casual, and a minimum level of knowledge and ability to be able to offer a decent service for all clients, able bodied or otherwise”.*

*“Do not really feel this applies to the taxi trade, as that policy would be primarily to safeguard vulnerable adults from neglect and abuse, which I believe would be very unlikely”.*

### 16 We asked for respondents to indicate their overall level of support for the policy: (52 responses)



72.55% of respondents either **strongly supported** or **supported** the policy; 29.41% did not.

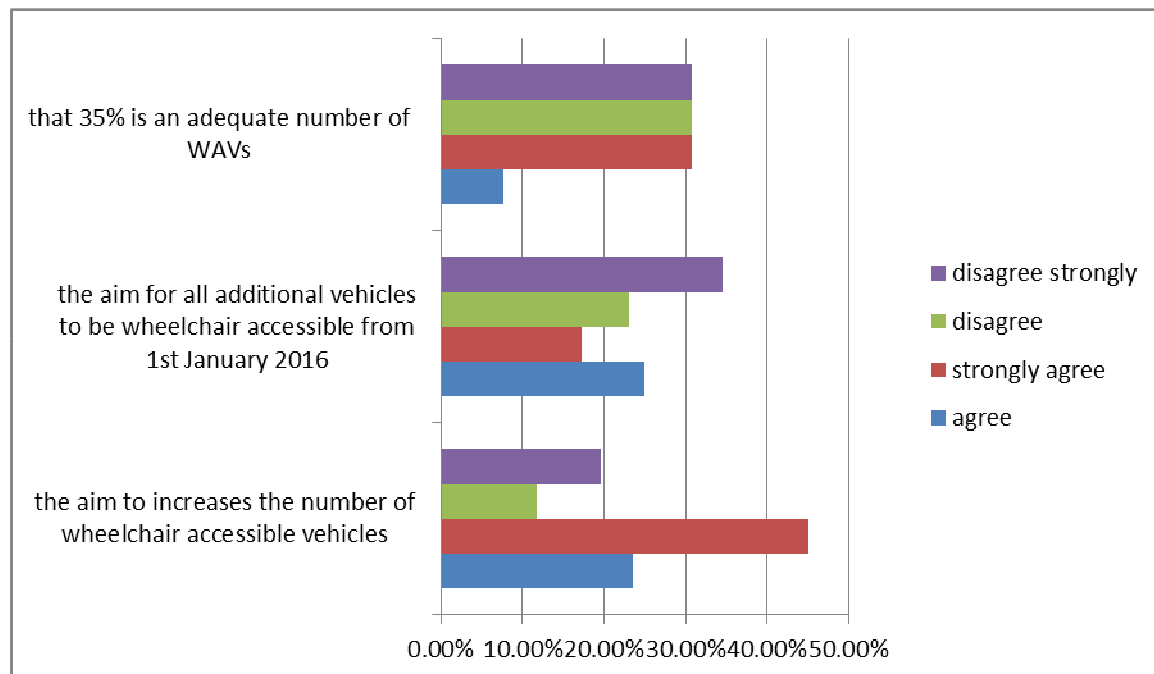
**17 Additional comments on the policy included the following:**

*“The proposed grandfather rights seem to be a commitment to failure. The facts of life in the UK are that increasing numbers of people are disabled and need to travel; public sector policies pertaining to provision of Hackney Carriage licences need to reflect the changing needs of the population. Implementation of the grandfather rights as proposed will increase the time it will take to reach the 35% by four or five fold. I also question the legality of the proposed grandfather rights under the Equality Act; this Act places an onus on service providers to the public to pro-actively meet the needs of the disabled; if the taxi drivers insist on grandfather rights they will be contravening this Act”.*

*“I think that it would be better to gradually phase the ideas in, for new drivers only, it will eventually cover 100 percent of drivers. Your proposal gives no way of proportional distribution of taxis within the Sevenoaks area, i.e. there could be 8 wheelchair taxis in Sevenoaks, and only 1 in Swanley, or vice versa. It also doesn’t consider that there may be lots of wheelchair cabs available in the daytime, but not at night, or more available in the week and not weekends”.*

**18 We asked for responses on our proposal to aim for 35% of wheelchair accessible vehicles (WAVs).**

**52 responses were received for this question**



60% of the respondents either disagreed strongly or disagreed with a target of 35%.

Just over 50% of the respondents did not agree with the aim for **all additional** vehicles to be wheelchair accessible from 1<sup>st</sup> January 2016.

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However, over 65% of respondents supported the aim to increases in the number of wheelchair accessible vehicles.

- 19 There were **27 additional comments** on this section, some of which are included below. Other comments focused on the perceived lack of passengers with disabilities in the district (therefore suggesting the need was not there for more WAVs), and that a target of 35% WAVs was disproportionate.

*“I work for Beeline taxis and the number of requests for wheelchair accessible vehicles is minimal. Speaking to a number of customers I take, the main demand is for saloon cars, as many of them are elderly and are unable to get into any vehicles that are higher. Another reason we don't have the calls is that Dial a Ride charge 60p per mile for wheelchair users to travel. I recently picked a customer up who uses Dial a Ride to go to Blackheath (has fold down wheelchair) and pays £22 for a return trip. So I don't believe there will ever be the work to cover”.*

*“Obviously, we have to have more WAV's. However, as a company that complete around 600 jobs each and every day, the amount of phone calls we get is less than 1% of the total jobs. In fact, the bulk of our work requires saloon cars for taking elderly and disabled people. These passengers are unable to get in to a vehicle that is any higher than a saloon so we feel that the percentage is excessive. The problem with making all hackney carriages WAV's from 1st September 2016 is that many drivers will either try to change their vehicle before this date or swap their licences to private hire”.*

*“Any such restriction should be limited to companies only. The law may limit new independent drivers who cannot afford to invest in such a vehicle. My proposal would be any company who has 4 or more vehicles operating, should have at least 1 WAV (i.e. 25%)”.*

*“The need for accessible hackney carriages is obvious as not a single hackney carriage having a Station Licence is accessible. This situation is clearly untenable and potentially is in violation of the Disability Discrimination Act”*

*“I agree with the aim to increase the (number of) WAVs, but believe it should be optional. To promote this the council should provide incentives such as lower MOTs for WAV. I disagree to the plans to enforce new licensees to purchase WAV as the costs associated with being able to trade is at a high and WAV are quite pricy then ordinary cars. The rank is very crowded at present and larger vehicle with WAV will make it quite difficult to find space at the station”.*

20 We asked respondents to choose three options from a list provided by the council and the trade for increasing the number of WAVs in the district:

Answer Choices (47 responses in total)	Responses
The offer from South East Rail: if a taxi driver already has a permit at the station and they upgrade their vehicle to be wheelchair accessible, they would get a Meteor permit free for a year.	42.55% 20
This was proposed by Sevenoaks District Council: From 1st January 2016 all additional hackney carriage licenses must be wheelchair accessible. That is those that require the issue of a new Hackney Carriage plate number. (This does not apply to replacement vehicles, change of ownership of vehicles or vehicles that are replacing damaged vehicles).	31.91% 15
This was proposed by Sevenoaks District Council: From 1st January 2018 all vehicles that reach the end of the life with respect to being eligible for licensing as a licensed vehicle (i.e. it is 10 years since the date of its first registration) must be replaced by a wheelchair accessible vehicle. (This does not apply to change of ownership of vehicles or vehicles that are replacing damaged vehicles or a total loss)	25.53% 12
This was proposed by members of the taxi and private hire trade: As from 1st September 2016 all new taxi drivers entering into the industry will need to purchase a wheelchair accessible vehicle if they wish to operate as an owner driver.	38.30% 18
This was proposed by members of the taxi and private hire trade: All existing plates before 1st December 2015 should be exempt from wheelchair accessible obligations under Grandfather rights. This will allow the Council to monitor all new drivers/vehicles coming into the industry.	34.04% 16
This was proposed by members of the taxi and private hire trade: Owners of Hackney Carriage vehicles that are subject to their plates being renewed should be allowed to choose the vehicle they wish to work with (i.e. car or wheelchair accessible vehicles) under Grandfather rights.	42.55% 20
This was proposed by members of the taxi and private hire trade: The change of car ownership from Private Hire driver to a driver for a Hackney Carriage vehicle should be allowed after 1st September 2016. Once a driver has lost his entitlement to the Grandfather rights s/he will be classed as a new driver entering into the industry and subject to purchase a purpose built vehicle. Once the vehicle has finished its life span of 10 years the plate is subject to renewal to a wheelchair accessible vehicle.	12.77% 6

Answer Choices (47 responses in total)	Responses
<p>This was proposed by members of the taxi and private hire trade:                      All Hackney Carriage plates purchased before 1st September 2016 will be allowed under Grandfather rights to purchase a vehicle of their choice, either a saloon car or wheelchair accessible vehicle.</p>	<p>40.43% 19</p>

**21 Additional comments from respondents for these choices:**

*“The proposed grandfather rights will scupper any attempt to increase the number of WAV - these provisions MUST be removed”.*

*“None of the above scenarios will deliver the required 35 percent of accessible hackney carriages. South Eastern Trains should be encouraged to allow vehicles without a Station Licence to have one if they are accessible All new vehicles coming in the fleet as Hackney Carriages should be accessible This would need to include vehicles being replaced due to age replacement after accident and replacement after sale of one car with another Unless this becomes policy the Council will never achieve their target as so called grandfather rights will not make anyone replace a non accessible vehicle with an accessible one”.*

*“The permit offer would encourage drivers to purchase a WAV and we feel this is a good way to do it. Another idea could be that any driver that doesn't have a permit could have a permit for a year for free or be able to purchase a permit. -The second choice would make sure that the required percentage is reached. However, this could discourage new drivers in to the area. -We feel that drivers should have the chance to choose which vehicle they use for work”.*

*“The best possible way of providing and funding a dynamic and 24 hour wheelchair service from the taxi trade is not from the drivers but from the companies the operate in the area. Any firm of more than five cars should include a wheelchair taxi in their fleet and maybe one in ten on larger fleets, this would result Beeline putting right now 5 wheelchair taxis on our the Sevenoaks ranks 24 hours a day. Also to conform with public transport interlocking for a customers journeys I would hope Sevenoaks Council could pressure the Railway companies to prioritise new wheelchair taxis for station permits”.*

*“Since the station was remodelled there is a major problem for wheelchairs on the corner by the cash machines in that it is not wide enough to get a wheelchair safely around this corner on the pavement. The only alternative is to go on the road which brings into itself more hazards i.e. traffic, the incline and loosing control going down hill. The other alternative is to use the lift (if it's working) and then have to push your self up hill to get to the taxi stand, No mean feat given the incline.”*



*As you state their are only a few WAV's in Sevenoaks which I think can be overcome by getting new drivers to get WAV's or getting the firms to supply one or two more each; company vehicles (Beeline, Victor, Dave's Taxis) have all bought people carriers in recent years so why not WAV's, these are the first numbers dialled to pre-book cabs".*

The three most popular options as a result of the survey are the offer from South-eastern Rail. This may increase the number of wheelchair accessible vehicles who are able to use Sevenoaks Station. However, during a period when South-eastern Rail are trying to reduce the number of permits that are issued to use the forecourt, this will serve to increase the number of permits at the station and will only have an effect in Sevenoaks. Permits are not in operation at Swanley Station.

The other option involves existing drivers maintaining "grandfather rights" when renewing their vehicle to allow them to be exempt from any need to purchase a wheelchair accessible vehicle. This option will not serve to increase the number of wheelchair accessible vehicles.

The final most popular option that all Hackney Carriage plates purchased before 1st September 2016 will be allowed under "Grandfather rights" to purchase a vehicle of their choice, either a saloon car or wheelchair accessible vehicle. This provides the existing trade to delay the need to replace their existing vehicle with a wheelchair accessible vehicle. This may be a viable option as it only delays the replacement with a wheelchair accessible vehicle.

Unfortunately, the preferred options by respondents will not address the need to increase the number of wheelchair accessible vehicles within the Hackney Carriage fleet.

**22 Equalities Monitoring:**

*Male: 40*  
*Female: 4*  
*Prefer not to say: 3*

*Number of respondents identifying as disabled: 3*  
*No disability: 45*

**Age:**

---

<b>18 - 24</b>	<b>2.13%</b> <b>1</b>
<b>25 - 34</b>	<b>17.02%</b> <b>8</b>
<b>35 - 44</b>	<b>23.40%</b> <b>11</b>
<b>45 - 54</b>	<b>21.28%</b> <b>10</b>

---

<i>55 - 64</i>	<b>27.66%</b> <b>13</b>
<i>65+</i>	<b>6.38%</b> <b>3</b>
<i>Prefer not to say</i>	<b>2.13%</b> <b>1</b>

### Other Options Considered and/or Rejected

- 23 The Council could choose to do nothing. However, this would mean that it is not ensuring there is equality and accessibility for all.

### Key Implications

#### Financial

- 24 The failure of the Authority to review, consult and publish the Taxi Licensing Policy on a regular basis may result in a Judicial review being brought against the Council.

#### Legal Implications and Risk Assessment Statement

- 25 Decisions in relation to a licence are likely to amount to consideration of civil rights and obligations with the result that Article 6 (1) of the Human Rights Act 1998 is engaged.
- 26 Should parts of the industry believe the authority's Taxi Licensing Policy is not sound it would be open to them to undertake judicial review proceedings.

#### Equalities Assessment

- 27 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and varies between groups of people. The results of this analysis are set out in Appendix C.

### Conclusions

- 28 The Licensing Committee are recommended to recommended to Council to adopt the Policy as laid out in the draft document with the exception of the section on wheelchair accessible vehicles - section 4.5, page 15.
- 29 Members are recommended to include within the Taxi and Private Hire policy measures that will increase the number of wheelchair accessible

vehicles that form part of the fleet for Hackney Carriage vehicles licensed by Sevenoaks District Council.

30 Officers recommend including:

a) From 1st September 2016 all additional hackney carriage licenses must be wheelchair accessible. That is those that require the issue of a new Hackney Carriage plate number. (This does not apply to replacement vehicles, change of ownership of vehicles or vehicles that are replacing damaged vehicles).

Please note the date has been amended to just under six months from the adoption of this policy to allow the trade, particularly new entrants, to plan for this change.

b) From 1st January 2018 all vehicles that reach the end of the life with respect to being eligible for licensing as a licensed vehicle (i.e. it is 10 years since the date of its first registration) must be replaced by a wheelchair accessible vehicle. (This does not apply to change of ownership of vehicles or vehicles that are replacing damaged vehicles or a total loss.)

c) Whilst the offer from South-eastern Rail is welcomed this is a matter for them to decide upon and is not something that should be included in the Council's policy as it is outside of the Council's control.

**Appendices:**

Appendix A: Draft Statement of Hackney Carriage and Private Hire Policy

Appendix B: Consultation survey on Sevenoaks District Council draft Taxi and Private Hire Licensing Policy

Appendix C: Equality Impact Assessment (online only)

**Background Papers:**

Relevant legislation

Equality Impact Assessment

**Richard Wilson**  
**Chief Officer, Environmental and Operational Services**

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SEVENOAKS DISTRICT COUNCIL

STATEMENT OF HACKNEY CARRIAGE AND PRIVATE HIRE POLICY

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Effective from\*\*\*\*\*

## Agenda Item 7a

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The aim of local authority licensing of Taxi and Private Hire Vehicle (PHV) trades is to protect the public. Sevenoaks District Council is also aware that the public should have reasonable access to taxi and PHV services because of the part they play in local transport provision. Licensing requirements which are unduly stringent will tend unreasonably to restrict the supply of taxi and PHV services, by putting up the cost of operation or otherwise restricting entry to the trade. Sevenoaks District Council recognises that too restrictive an approach can work against the public interest – and can, indeed, have safety implications.

For example, it is clearly important that somebody using a taxi or PHV to go home alone late at night should be confident that the driver is “fit and proper” and that the vehicle is safe. However, on the other hand if the supply of taxis or PHVs has been unduly constrained by onerous licensing conditions, then that person’s safety might be put at risk by having to wait on streets late at night for a taxi or PHV to arrive; he or she might even be tempted to enter an unlicensed vehicle with an unlicensed driver illegally plying for hire.

Sevenoaks District Council, therefore, wants to be sure that every licensing requirement is in proportion to the risk it aims to address; or to put it another way, whether the cost of a requirement in terms of its effect on the availability of transport to the public is at least matched by the benefit to the public, for example through increased safety. This is not to propose that a detailed, quantitative, cost-benefit assessment should be made in each case; but it is to say that Sevenoaks District Council does look carefully at the costs – financial and otherwise – imposed by all of its licensing policies.

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## 1. Introduction

The Licensing Authority at Sevenoaks District Council (“the Council”) is responsible for processing all applications for hackney carriage and private hire licences including drivers, vehicles and private hire operators. The team also deals with complaints and compliance in relation to hackney carriage and private hire matters.

The licensing of hackney carriage and private hire drivers, vehicles and operators aims to secure the following objectives:

- That all licensed drivers/proprietors and operators are “fit and proper” persons to ensure the highest levels of public safety and good practice.
- That all licensed vehicles are roadworthy and fit for use.
- To encourage the use of environmentally friendly vehicles.
- To encourage the use of vehicles that are accessible to persons who have disabilities.

The Council will ensure that these aims are met by setting minimum requirements for the licensing of drivers, vehicles and operators. These requirements include:

- Up to three yearly licensing of drivers including medical checks, criminal record clearance, an appropriate level of driving ability and a sound knowledge of the area.
- DVLA checks of all drivers licences at first application and at renewal. Drivers will be required to sign a mandate form to allow the Licensing Authority to carry out the check with the DVLA.
- Five yearly licensing of private hire operators from April 2016. Until the new fees are set three year licences will be available.
- Annual licensing of vehicles, with routine inspections by council officers. Checks of documentation such as insurance certificates and strict mechanical testing;
- Investigation of complaints and enforcement of legislation and licence conditions with appropriate action taken in accordance with the Council’s enforcement policy statement.
- Ongoing training, development and monitoring of the Council’s Licensing staff.
- Provision of information to the private hire and hackney trades and members of the public through press releases and publications, the Council website and attendance at relevant forums.



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## **2. Review of Policy and Procedures**

### **2.1 Legislation**

In undertaking its licensing function, the council will have particular regard for:

- Town Police Clauses Act 1847 and 1889
- Local Government (Miscellaneous Provisions) Act 1976
- Transport Act 1985 and 2000
- Crime and Disorder Act 1998
- Environmental Protection Act 1990
- Equalities Act 2010
- Road Traffic Acts
- Health Act 2006
- Human Rights Act 1998
- Regulators Code

### **2.2 Taxi and Private Hire Licensing: Best Practice Guidance March 2010**

The Department for Transport has national responsibility for hackney carriage and private hire legislation in England and Wales. Following widespread consultation, the Department has produced Best Practice Guidance for licensing authorities which sets out standards which can be considered good practice in this area of licensing, although it also recognises that individual licensing authorities should produce their own policies in relation to specific licensing matters. This Guidance has been taken into consideration in preparing this policy. Also regard has been given to the Licensing Partnership and this has been seen as an opportunity to have some consistency across the three authorities. The Licensing Partnership currently includes Maidstone Borough Council, Sevenoaks District Council and Tunbridge Wells Borough Council.

### **2.3 Consultation**

The Council is keen to hear the views of persons who may be affected by this policy and has identified people and organisations that may be interested in commenting on this document. The Council has consulted widely and invited comments from any interested party in particular those listed below.

- ▶ Representatives of Sevenoaks licensed hackney & private hire drivers
- ▶ Representatives and trade groups of Sevenoaks taxi proprietors and private hire vehicle licence holders.
- ▶ Representatives of the district's taxi and private hire operators
- ▶ Sevenoaks District Councillors
- ▶ Town and Parish Councils
- ▶ Neighbouring Authorities
- ▶ Community Safety Unit

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- ▶ Access Group
- ▶ Local businesses and residents
- ▶ The National Private Hire Association
- ▶ The National Taxi Association
- ▶ Members of the Public through the Council Website
- ▶ Public Health Kent
- ▶ Chamber of Commerce
- ▶ Kent Police
- ▶ Kent County Council Traffic & Road Safety
- ▶ Kent County Council (School Contracts)
- ▶ Citizens Advice Bureau
- ▶ Age UK

The Policy and associated documentation are available for inspection on the Council's website and a hard copy can be viewed at Sevenoaks District Council Offices, Argyle Road, Sevenoaks, Kent TN13 1HG.

The policy will remain in existence for a period of five years, during which time it shall be kept under review and revised as appropriate or after any significant legislative change.

Upon implementation of this policy, the Authority expects licence-holders to comply with its terms immediately.

### **2.4 Online Forms**

Sevenoaks District Council has introduced online forms to facilitate applications. The authority is committed to keeping the cost of providing the licensing service down and online forms assist with this aim.

All new applications that are made online will require an applicant to meet with an officer to complete the application process.

We are happy to accept scanned accompanying documents or photograph images with online applications. However, if the submitted images do not match with the electronic images that are held by the authority, this authority reserves the right to require the original documentation to be presented to the Licensing Authority.

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### **3. Hackney Carriage and/or Private Hire Driver Licence – New and Renewal applications**

Sections 51 and 59 of the Local Government (Miscellaneous Provisions) Act 1976 require that a district council shall not grant a driver's licence to drive a private hire vehicle or hackney carriage unless they are satisfied that an applicant is a fit and proper person.

In order for the Council to establish whether an applicant is fit and proper the applicant must provide evidence of:

- . Honesty and trustworthiness
- . Driving standard
- . Medical fitness
- . Criminal history
- . Relevant knowledge of the district
- . Understanding of English (spoken, written and reading)

All applicants must read the Council's Statement of Policy about Relevant Convictions before considering whether to apply for a Hackney Carriage or Private Hire Vehicle driver's licence.

Application forms must be completed in full. Any incomplete forms will be returned to the applicant as invalid.

Applications will only be accepted as valid if they include and/or are accompanied by the following:

- Correct application form provided by the Council, completed in its entirety and signed by the applicant.
- The appropriate fee. The current fees are available online <http://www.sevenoaks.gov.uk/services/business/licence-and-permits/Taxis-and-Private-Hire>
- The applicant's original DVLA driving licence. Applicants must have held a full DVLA or EU licence for at least 1 year. (para.3.2) for a new application
- A completed medical certificate (para.3.4)
- Driving Standard Agency practical taxi test and wheelchair test (where applicable)
- Evidence of passing Sevenoaks District Council's knowledge test/alternative suitability and knowledge test for all new hackney carriage drivers
- One recently taken, colour, passport sized photograph of the applicant (no sunglasses and no hats, unless they are worn for religious reasons).
- DVLA mandate completed and signed by the applicant.
- Application for a Disclosure and Barring Service Enhanced Check completed by the applicant with accompanying identification or a current valid disclosure certificate

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completed within 1 month and obtained via an approved body which will allow an update service check to be performed (para.3.5). This must include a check for with adults and child workforce.

- For all applicants who have lived in the United Kingdom for less than 5 years continuously, a certificate of good conduct from the appropriate embassy is required (new applications only) (para.3.5)
- For those not holding an EU passport, evidence will need to be provided of the applicant's right to work in the United Kingdom, which will include a relevant VISA or letter from the appropriate Embassy/Authority. The Licensing Authority may also contact the Home Office to carry out immigration checks when it is appropriate to do so.
- All applicants must provide documentary evidence confirming their right to live and work in the UK. Any licence granted to drivers whose leave to remain in the UK is time limited will only be valid for the period which they are entitled to work in the UK. In order for the licence to be extended drivers must produce further evidence to prove that they have the right to work in the UK
- Two items confirming the applicants address
- Documentary proof of their National Insurance number.

### **3.1 Fee**

All applications must be accompanied by the appropriate fee as prescribed from time to time by the Council. Licensing fees are reviewed on an annual basis and approved by the Council.

No refunds are payable where applications are not pursued or completed or where applications are refused e.g. as a result of relevant criminal records, where relevant information has been withheld or where applicants fail to meet application requirements. The Licensing Department can advise individual applicants who have queries in relation to this issue and any such information is strictly confidential.

Any outstanding application older than 12 months will be destroyed. Should the applicant wish to pursue the application after 12 months a new application will need to be submitted with a fee and a new DBS application will be required.

A holder of a Hackney Carriage Driver's licence is able to drive a Private Hire vehicle. However, a holder of a Private Hire Driver's licence may not drive a Hackney Carriage vehicle.

### **3.2 Driving Standards**

It is a statutory requirement that a licence will not be issued to any person who at the time of the application has not held a full driving licence for a continuous period of one year immediately prior to the date of receipt of a valid application by the Council.

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Driving licences issued by EU / EEA States and Countries detailed in the Driving Licences (Exchangeable Licences) Orders are also permitted to count towards the 1 year period qualification requirement for the grant of a private hire and/or hackney carriage licence.

In order to establish that an applicant has reached an acceptable driving standard, new applicants will also be required to have successfully undertaken the Driving Standards Agency's practical taxi test or Kent County Council transport test, should this be introduced. Existing drivers may also be required to undertake this test where serious concerns are raised about the standard of their driving.

All new applications for a driver's licence will be required to successfully undertake a DSA practical taxi test (or Council approved alternative) without exception.

Drivers of wheelchair accessible vehicle must have undertaken the enhanced DSA practical taxi test which includes the wheelchair exercise. If a driver changes his vehicle to a wheelchair accessible one then they must undertake the element that includes the wheelchair exercise.

Driver assessments can be taken at your local Driving Standards Agency (DSA) test centre (or Council approved alternative – details of which will be available on the website) - should this be introduced). You can find your nearest DSA test centre on the DSA website.

A first time Hackney carriage driver applicant must demonstrate by means of a test, an acceptable knowledge of places, road and routes within the Council's area. The Licensing Authority may also require the applicant to demonstrate knowledge of the Hackney Carriage byelaws, rules that apply to all drivers on the highway and conditions for the licence types.

### **3.3 Age**

All applicants for HC/PHV driver licences will be assessed on their individual merits. Sevenoaks District Council does not consider it necessary to set a maximum age limit for drivers provided that regular medical checks are made (see 3.4), nor does it consider a minimum age limit, beyond the statutory limitations, to be appropriate.

### **3.4 Medical Fitness**

There is a general recognition that it is appropriate for HC/PHV drivers to have more stringent medical standards than those applicable to normal car drivers because:

- . they carry members of the public who have expectations of a safe journey;
- . they are on the road for longer hours than most drivers; and
- . they may have to assist disabled passengers and handle luggage.

Sevenoaks District Council supports the widely held view that Group 2 medical standards should also be applied by local authorities to HC/PH drivers.

All applicants will be required to obtain a Group 2 medical standards certificate signed by Sevenoaks District Council's appointed surgery.

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Once licensed, a new medical will be required to be undertaken at renewal (every 3 years) or annually once the driver reaches the age of 65 years.

The Group 2 medical standards now include the licensing of drivers with insulin treated diabetes. It is the policy of Sevenoaks District Council to apply the standards to taxi and PHV drivers with insulin treated diabetes. The criteria is summarised in Appendix 3.

Should concerns arise regarding the health of a licensed driver, the Council at any time may request further information or a further medical examination to be carried out and submitted. The Council reserves the right to revoke or suspend a licence if requested information is not submitted within 4 weeks of the request and a satisfactory explanation is not given for the failure to provide such information or where the information provided raises further concerns as to the applicant's fitness to carry out his/her duties as a licensed driver.

### **3.5 Criminal Record**

Prior to consideration of any application, the Council will obtain from the applicant a Disclosure & Barring Service Enhanced Certificate in respect of the applicant, to be assessed in accordance with the Council's statement of policy about relevant convictions. This must include a check for with adults and child workforce.

It is recognised that many vehicles are used for the carriage of children and vulnerable persons and the Enhanced Disclosure is most appropriate.

Existing drivers will be required to submit an Enhanced Certificate, which includes whether an applicant is barred from working with children or adults, every 3 years at renewal unless they are signed up to the online service which will enable the Licensing Department to check directly with the DBS. The licence holder will be responsible for paying the relevant fee. All applicants are strongly advised to sign up to the DBS online checking service as the cost every 3 years is less, the certificate is portable and may be taken to another Licensing Authority and applications for the renewal of their taxi driver's licence may be made more easily online without the need to make an appointment to see a Licensing Officer.

Prior to consideration of any new application, overseas applicants who have lived in the United Kingdom for a continuous period of less than five years are required to provide a certificate of good conduct from their previous country or countries of residence (within the previous five years) in addition to an Enhanced Certificate from the Disclosure & Barring Service which includes whether an applicant is barred from working with children or adults.

A licence will generally not be granted to any applicant who does not comply with the minimum requirements as set out in the Council's Statement of Policy about Relevant Convictions (see Appendix 2). Where several minor offences have been committed the Council will take into consideration any pattern of offending. The Council can also take into consideration spent convictions and cautions when determining an application for a driver's licence.

A licence may be suspended or revoked pending the outcome of any investigation or trial where an existing driver is found to be awaiting trial or has been charged with a serious crime relating to;

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- ▶ Driving or being in charge of a vehicle whilst under the influence of drink or drugs
- ▶ A drug related offence
- ▶ Indecent exposure, indecent assault or any of the more serious sexual offences or,
- ▶ Grievous bodily harm, wounding or assault or,
- ▶ Dishonesty

A licence may also be suspended or revoked where information received raises grave doubts as to the fitness of a driver, regardless of whether criminal charges are brought.

Any application from a new applicant charged with a serious offence as outlined above will not be determined until the outcome of that matter has been determined.

Where an existing driver commits an offence and/or breaches the licence conditions/byelaws, the nature and number of incidents will be taken into consideration when considering if the driver continues to be considered "fit and proper".

Complaints in relation to existing drivers will generally be held on file and taken into consideration for a period of three years from receipt. Although where a further warning is issued during this period, the original warning will be kept on file from the date of the most recent warning. Where a licence is revoked for persistent breach of licence conditions a period of 3 to 5 years should generally elapse before a further application is favourably considered.

A licence holder or applicant shall immediately notify the Council of any charges/convictions/cautions (including motoring offences) imposed during the term of their current licence or application.

### **3.6 Renewal of Licences**

It is the driver's responsibility to ensure that their licence is renewed prior to the expiry of their current licence.

A licence may be renewed up to 6 weeks prior to the expiry date.

Any licence that is not renewed within 1 month following expiry will not be renewed and a new application in full will be required. A DSA pass certificate will also need to be provided. Any licence that is renewed within the 1 month grace period may be subject to a late fee.

Where a licence holder will not be available at the time of renewal, for example due to an extended holiday, then they may apply in writing to the Licensing Office, prior to the expiry date, explaining their circumstances and request a waiver. If granted, this waiver will allow the licence holder to renew their licence after the expiry date or depending on the circumstances the licence can be renewed early. The date of renewal of the licence will start from the day after the expiry of the previous licence.

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In any case, following expiry of a licence, the driver will not be considered licensed and will not be permitted to drive a licensed vehicle until such time a the licence has been renewed and a new licence has been issued.

The Council will endeavour to issue reminder letters at least six weeks prior to the expiry of a licence although there is no statutory duty for the Council to do so and the responsibility ultimately lies with the licensee to ensure that complete applications for renewal are submitted on time. Applicants are encouraged to submit their applications as soon as possible.

At each renewal a current correct driving licence, DBS enhanced check, Medical and DVLA Mandate will be required.

Applicants are encouraged to make their renewal application online.

### **3.7 Change of Type of Licence**

Licensees wishing to change from holding a private hire licence to a hackney carriage licence will be required to undertake a knowledge test and the wheelchair element of the Driving Standards Assessment (or equivalent) before the licence is issued. The required fee will need to be paid with the application and no refund will be payable in respect of an existing licence.

### **3.8 Surrender/Suspension/Revocation of Licence or Failure to Complete Application**

In the event of the surrender of a driver's licence before its expiry or failure to complete the application process, there shall be no refund of the licence fee.

In the event of a driver's licence being suspended or revoked there shall be no refund of the licence fee.

### **3.9 Drivers Dress Code**

Sevenoaks District Council is committed to encouraging the professional image of the hackney carriage and private hire trade, and considers that drivers of licensed vehicles are vocational drivers. Therefore, the Council considers that drivers should conform to a minimum standard of dress, as set out in Appendix 4, in order to raise and maintain the profile of the licensed trade. The Authority does not impose such standards by way of conditions to any licence. However, it is expected that such standards will be maintained at all times.

### **3.10 Right of appeal**

Where refusal, suspension or revocation of an application/licence has been advised by an Officer, the applicant/driver will be entitled to request the matter be referred to the Licensing Committee to discuss the concerns, unless the driver has lost his DVLA driving licence in which case revocation will be automatic. During this meeting the applicant/driver will be given every opportunity to state their case in relation to the issue(s) of concern. The Committee on hearing all the facts will decide whether to grant any licence or not.



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Any applicant who is aggrieved by the Council's refusal to grant/suspend/revoke a driver's licence may appeal to a Magistrates Court within 21 days of being notified in writing of the decision.

In line with s61(2B) of the Local Government (Miscellaneous Provisions) Act 1976, as amended by s.52 of the Road Safety Act 2006, where it appears to the Council that it is in the interests of public safety for any revocation to have immediate effect there will be no right to drive as a private hire or hackney carriage driver pending an appeal. This power will only generally be invoked where there are allegations of serious violence offences, offences of a sexual nature or where there is considered to be a serious risk to passengers or members of the public in allowing the driver to continue as a hackney carriage/private hire driver.

### **3.11 Duration of Drivers' Licences**

A Hackney Carriage or Private Hire Driver's Licence shall be valid for a standard term of three years (unless, for administrative reasons, a shorter period is appropriate).

## **4. Hackney Carriage / Private Hire Vehicle Licences**

Section 47(2) of the Town Police Clauses Act 1847 permits a Borough/District Council to require that a hackney carriage licensed by them under the Act of 1847 to be of such design or appearance or bear such distinguishing marks as shall clearly identify it as a hackney carriage.

### **4.1 Environmental Considerations**

The Best Practice Guidance asks licensing authorities to consider how far their vehicle licensing policies can and should support any local environmental policies that they have adopted, bearing in mind the need to ensure that the benefits outweigh costs (in whatever form). They suggest that authorities may, for example, wish to consider setting vehicle emissions standards, perhaps by promoting cleaner fuels.

It is considered that efforts should be made, through the licensing policy, to improve, as far as possible, the efficiency of vehicles licensed in the District by, in particular, reducing the levels of CO<sub>2</sub> emitted from petrol vehicles and the equivalent from diesel. There is a movement towards the use of alternative fuels and in many areas LPG conversions to vehicles are perfectly acceptable and encouraged. This will, however, be dependent on supplies of such fuel being made readily available. It may also be the case that the installation of storage tanks into vehicles may affect the ability to carry luggage.

Clearly, emissions from hackney carriages and private hire vehicles could be reduced further, by encouraging better maintenance of vehicles and by switching off engines when stationary or idling, particularly at hackney carriage ranks. It is proposed that this aspect be tackled through education and promotion.

In view of the above detail, unless more urgent measures are introduced by central government in the meantime, this Council will monitor any research published and

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Government guidelines with a view to specifying vehicle emissions standards and promoting cleaner vehicles.

To help consider the environmental impact, any petrol electric vehicle with an engine size under 1400cc will be considered to be licensed on a case by case basis. Sevenoaks District Council suggests that, in order to promote a greener environment, any vehicle that promotes cleaner fuel emissions may be entitled to pay a reduced fee at the time of having the vehicle tested by Sevenoaks District Council's appointed workshop.

### **4.2 Taximeters**

The Authority requires every vehicle licensed as a Hackney Carriage to be fitted with a taximeter. The Taximeter shall be of a type which is EU approved or specifically authorised by the Council.

A Private Hire vehicle may be fitted with a taximeter. If a taximeter is fitted it shall be of a type which is EU approved or specifically authorised by the Council.

### **4.3 Roof Signs**

The Authority requires all Hackney Carriage vehicles to be fitted with working roof-mounted signs. If the illuminated roof lights have red in them, they must be fitted so that the red light is visible from the rear. If the vehicle is available for hire the roof light must be illuminated.

The Authority requires that no Private Hire vehicle be fitted with a roof-mounted sign of any kind.

### **4.4 Numbers Limit**

At the moment there is no restriction on how many hackney carriage vehicles can be licensed, Sevenoaks District Council will seek to address this matter when the need arises and may carry out a demand survey to seek clarification whether there is unmet demand for Hackney carriage vehicles within the whole district.

Section 48 of the Local Government (Miscellaneous Provisions) Act 1976 states that the Council shall grant a private hire vehicle licence provided the Council is satisfied that the vehicle is:

- ▶ Suitable in type, size and design for the use of a Private Hire Vehicle;
- ▶ Not of such a design and appearance as to lead any person to believe that the vehicle is a Hackney Carriage;
- ▶ In a suitable mechanical condition;
- ▶ Safe; and
- ▶ Comfortable;

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- ▶ That there is in force in relation to the use of the vehicle a policy of insurance that complies with the Road Traffic Act 1988.

Once licensed, a hackney carriage or private hire vehicle remains a hackney carriage or private hire vehicle until the licence either expires, is suspended or revoked. A licensed vehicle can, subject to very limited exemptions, only ever be legally driven by a driver who holds the relevant hackney carriage or private hire drivers' licence and appropriate insurance.

Sevenoaks District Council will not permit dual plating, therefore once a vehicle is licensed by Sevenoaks District Council it cannot be licensed with any other authority or Transport for London.

#### **4.5 Wheelchair Accessible Vehicles**

Below is a list of possible solutions to increase the number of Hackney Carriage vehicles within the Sevenoaks fleet. It is intended that during consultation consultees will be asked to select one or more preferences for inclusion in the final policy

- 1 From 1st January 2016 all additional hackney carriage licenses must be wheelchair accessible. That is those that require the issue of a new Hackney Carriage plate number. This does not apply to replacement vehicles, change of ownership of vehicles or vehicles that are replacing damaged vehicles.

This requirement will remain in place until 35% of the Hackney Carriage vehicle fleet are wheelchair accessible.

- 2 Offer from Southeastern rail is: If a taxi driver already has a permit at the station and they upgrade their vehicle to be a wheelchair accessible vehicle they would get a Meteor permit free for a year.

- 3 From 1st January 2018 all vehicles that reach the end of the life with respect to being eligible for licensing as a licensed vehicle (i.e. it is 10 years since the date of its first registration) must be replaced by a wheelchair accessible vehicle. This does not apply to change of ownership of vehicles or vehicles that are replacing damaged vehicles or a total loss.

This requirement will remain in place until 35% of the Hackney Carriage vehicle fleet are wheelchair accessible.

Wheelchair accessible vehicles may be either rear or side loading.

These options below have been suggested by the trade and are also for consideration.

- 4 As from 1<sup>st</sup> September 2016 all new taxi drivers entering into the industry will need to purchase a wheelchair accessible vehicle if they wish to operate as an owner driver.

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- 5 All existing plates before 1<sup>st</sup> December 2015 (this has been altered from the trade's suggestion of 1<sup>st</sup> September 2015) should be exempt from wheelchair accessible under Grandfather rights. This will allow the Council to monitor all new drivers/vehicles coming into the industry.
- 6 Hackney Carriage vehicles subject to renewal of plate. The plate owner should be allowed to choose the vehicle they wish to work with (i.e. car or wheelchair accessible vehicles) under the Grandfather rights.
- 7 The change of car ownership from Private Hire driver to a driver for a Hackney Carriage vehicle should be allowed after 1<sup>st</sup> September 2016. Once a driver has lost his rights to the Grandfather rights he/she will be classed as a new driver entering into the industry and subject to purchase a purpose built vehicle. Once the vehicle has finished its life span of 10 years the plate is subject to renewal to a wheelchair accessible vehicle.
- 8 All Hackney Carriage plates purchased before 1<sup>st</sup> September 2016 will be allowed under Grandfather rights to purchase a vehicle of their choice either a saloon car or wheelchair accessible vehicle.

The following suggestion cannot be included in the policy without prior agreement by Southeastern Rail and Meteor Parking Services as this is a matter entirely for them and cannot be set by the Licensing Authority.

- 9 Sevenoaks Station permits – as from 1<sup>st</sup> September 2016 all wheelchair accessible vehicles to take precedence in allocation of station permits. Due to retirement/leaving the industry or misconduct. This will keep station permits to the same amount and will increase the wheelchair accessible vehicles in the District.

This requirement has been introduced as there are currently only 4 Hackney Carriage wheelchair accessible vehicles in a fleet of 204 vehicles. Sevenoaks District Council believes there should be equality for all users of the taxi transport system. With this lack of accessible vehicles there is clearly an issue that the District Council must address and rectify.

The District Council recognises that there is a greater financial burden to proprietors in providing wheelchair accessible vehicles and therefore consultation has been carried out with the trade and a number of options have been suggested some with a lead in period.

All 48 Maidstone Borough Council vehicles are wheelchair accessible vehicles. There is a limit on the number of Hackney Carriage vehicles determined by an Unmet Demand Survey paid for by the Hackney Carriage trade.

Currently 23% of the Tunbridge Wells Hackney Carriage vehicles (107) are wheelchair accessible. There is a limit on the number of Hackney Carriage vehicles determined by an Unmet Demand Survey paid for by the Hackney Carriage trade.

### 4.6 Applications

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All applications submitted for the initial grant of a licence are advised to apply **at least 10 working days before** the licence is required to allow time for the vehicle to be tested and the licence to be processed.

Application forms must be completed in full, accompanied by all required documents and signed by the applicant and the operator where relevant. Any incomplete forms will be deemed invalid and returned immediately to the applicant.

Applications will only be acceptable as valid if they include and/or are accompanied by the following:

- Application form provided by the Council completed in its entirety and signed by the applicant and operator where relevant.
- Original vehicle registration document showing the applicant to be the registered keeper or other acceptable proof of ownership (the V5 New Keeper Supplement completed by the applicant or an official receipt from a registered company in the case of newly manufactured vehicles).
- When a renewal application is made online the authority will accept scanned documentation or a photograph of the documentation.
- Original documentation will only be required for new vehicles or if there is a discrepancy between the scanned copy held on file by the authority and the scanned/photograph submitted with an online renewal application.
- Certificate of insurance for the vehicle which covers the activity required (i.e. public or private hire - para.4.2) and which is valid on the date that the licence is due to come into force. With online applications we will accept emails from the insurance company sent to [licensing@sevenoaks.gov.uk](mailto:licensing@sevenoaks.gov.uk)

#### **4.7 Licence Fee**

- All applications must be accompanied by the appropriate fee as prescribed by the Council; the current scale of fees is available from the Council or at <http://www.sevenoaks.gov.uk/services/business/licence-and-permits/Taxis-and-Private-Hire>

Licensing fees are reviewed on an annual basis and adopted by the Council following advertisement by a notice in a local newspaper. The notice will also be displayed at the Council Offices to allow for any comments to be made.

In the event of the surrender of a vehicle licence before its expiry there is no refund made.

#### **4.8 Insurance**

All hackney carriage and private hire vehicles must be insured for public hire and reward, such insurance to provide cover for fully comprehensive.

The Council considers vehicle insurance to be a high priority and, therefore, requires all proprietors to provide evidence of continuous insurance cover throughout the period of the

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licence. Failure to provide evidence of insurance will result in the vehicle licence being suspended.

### **4.9 Testing of vehicles**

In addition to the MOT testing requirements, all licensed vehicles are required to be tested at the Council's nominated testing station for compliance with the Council's policy.

Where concerns arise during the period of the licence regarding the mechanical fitness of a licensed vehicle the Council may request a further test to be undertaken. However, the Licensing Authority cannot require a vehicle to have more than 3 tests per year.

Where an application for a vehicle renewal is made 28 days after the expiry of the licence the application will be considered as a new application and any age restrictions will apply.

Any vehicle failing its examination test will be required to undertake and pass a further examination test before it can be licensed or, in the case of an existing licensed vehicle, before it can continue to be used as a licensed vehicle. This further examination is known as a retest. The proprietor is responsible for the cost of the retest and it must be paid in full prior to further testing taking place.

The Council will suspend a vehicle licence if the vehicle is not presented for its interim test (6 month) by the due date.

### **4.10 Re-allocation of Expired Hackney Carriage Vehicle Plates**

If, when a hackney carriage licence expires, the vehicle is not re-licensed within twenty-eight days and the owner does not take steps to inform the Council of his/her intentions, then the plate will be re-allocated. A letter will be sent to the owner of the vehicle advising them that the licence has expired.

### **4.11 Type of vehicle**

In order to assess vehicle suitability, the Council will take into account passenger safety, comfort and the design of the vehicle.

In order to be considered suitable to be licensed as a Hackney Carriage the vehicle must comply with the basic specification set out in Appendix 5A and 5B and pass the Council's vehicle inspection test.

Any vehicle complying with the basic specification set out in Appendix 5 and 5B will be considered suitable to be licensed as a Private Hire Vehicle subject to it complying with the conditions listed in Appendix 5C and passing the Council's vehicle inspection test.

### **4.12 Vehicles Powered by Liquid Petroleum Gas (LPG)**

An applicant for a licence involving a vehicle which has been converted to run on LPG is required to produce, prior to a licence being issued, a certificate issued by a member of the LPG Association confirming that the LPG installation conforms with the Association's Code of Practice and is, therefore, considered safe.

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If an LPG conversion involves installation of an LPG fuel tank in a vehicle's boot space (and possible relocation of the spare wheel) it shall be a requirement that an amount of space shall remain free for the stowage of a reasonable amount of luggage, and any spare wheel displaced as a result must be stowed in a location that does not impinge on the passenger carrying area of a vehicle. Where relocation of the spare wheel is not possible an acceptable alternative, as supplied by the conversion company, will be permitted.

In exceptional circumstances the Council's basic requirements for vehicles may be waived to facilitate the licensing of Novelty Vehicles although confirmation should be sought from the Licensing Office prior to any application being made. All applications for Novelty Vehicles will be considered on their own merits.

In addition to meeting the relevant vehicle specifications all Private Hire Vehicles, including Novelty Vehicles, will have to comply with the private hire vehicle conditions (Appendix 5C). In the case of novelty vehicles further specific conditions may be applied to the licence.

#### **4.13 Seating Capacity**

No vehicle capable of carrying more than 8 passengers can be licensed by the Council.

In order to facilitate the licensing of a wide variety of vehicle types and to encourage more environmentally friendly vehicles the Council has not set a limit on the minimum number of seats but instead requires a minimum space standard per passenger as detailed in the basic specifications for vehicles.

It is the proprietor's and operator's responsibility to ensure that they establish the number of passengers at the time of booking. This is particularly important for those proprietors and operators who choose to utilise smaller vehicles.

#### **4.14 Seating dimensions**

Passenger seats must be at least 400mm wide for each passenger measured along the front of each seat. This criteria also applies where there are folding arms. The front seat of the vehicle next to the driver will be regarded as a seat for one passenger only.

Suitable means must be provided to assist persons to rise from the rear seat with particular attention to the needs of the elderly and disabled.

#### **4.15 Tinted windows**

The Authority will not license a hackney carriage vehicle if any window of it contains glass which has been treated so that less than 50% of light is transmitted through it. The area within the vehicle where there is no seating and is used for luggage only may have tinted glass as per manufacturing but must not be 'blacked out'.

Private hire vehicles with any tinted window of less than 50% transmission of light must not be used for the carriage of children and young persons who are, or will be, travelling without a parent or independent adult supervision.

The only exception is that where a child or young person is to be carried as a passenger unaccompanied by an adult then it will be for the proprietor of the vehicle, and/or the

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operator, to satisfy themselves that such a journey in a vehicle with tinted windows is with the knowledge and consent of that child or young person's parent or guardian and the details of such knowledge and consent, whether verbal or written, will form part of the Operator's records required to be kept by licence condition.

It is good practice to always advise a person making a booking for a private hire vehicle of the vehicle type and description, including whether it has tinted windows - without prejudice to the Road Vehicles (Construction & Use) Regulations 1986.

### **5. Private Hire Operators Licence**

The objective of licensing Private Hire Vehicle Operators is, again, the safety of the public, who will be using operator premises, vehicles and drivers arranged through them. The Council will grant a private hire operator licence provided the Council is satisfied that the applicant is a fit and proper person to hold such a licence.

In order for an operator to prove that they are fit and proper they must provide evidence that they:

- are of good repute;
- have adequate arrangements for monitoring drivers, vehicles and the keeping of records;
- are capable of ensuring that both themselves and their staff/drivers obey all the rules.

All applicants for initial grant of a licence should allow at least four weeks before the licence is required to enable the local authority to undertake the necessary vetting procedures as detailed in this document.

Planning consent may be required and all applicants must ensure that they obtain all the correct and necessary permissions before trading.

Any application for the renewal of a licence which is not made before the expiry of the previous licence will be treated as an application for a new licence.

Applications will only be acceptable if they include the following:

- Application form completed in its entirety and signed by the applicant along with all the information prescribed.
- Application for a Disclosure and Barring Service Basic Check, which can be obtained from DBS or Disclosure Scotland, completed by the applicant with accompanying identification or a current valid disclosure certificate completed within 1 month and obtained via an approved body which will allow an update service check to be performed.



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- The appropriate fee. The current fees are available online <http://www.sevenoaks.gov.uk/services/business/licence-and-permits/Taxis-and-Private-Hire>

### **5.1 Criminal Records Checks**

Private Hire Vehicle operators are not exceptions to the Rehabilitation of Offenders Act 1974. However, Private hire operators' that are not licensed drivers, cannot be required to produce an enhanced DBS disclosure. A Basic Disclosure from the DBS or Scottish Disclosure, or a certificate of good conduct from the relevant embassy for overseas applicants, is however, considered appropriate in promoting the objective of public safety.

Before an application for a private hire operators' licence will be considered, the applicant must provide a current (less than one months old) Basic DBS or Scottish Disclosure of Criminal Convictions (issued specifically for Sevenoaks District Council), or a Certificate of Good Conduct from the relevant embassy in the case of an overseas applicant. Applicants that hold a current Drivers Licence with the Council will be exempt from this requirement.

Prior to consideration of any new application, overseas applicants who have lived in the United Kingdom for a continuous period of less than five years are required to provide a certificate of good conduct from their previous country or countries of residence (within the previous five years) in addition to a Basic Disclosure Certificate. A certificate of good conduct authenticated by the relevant embassy will satisfy this requirement.

### **5.2 Record Keeping**

It is a requirement for operators to keep comprehensive records of each booking. All bookings will be kept for a period of 6 months.

### **5.3 Licence Duration**

The Department of Transport considers that annual licence renewal is not necessary or appropriate for private hire operators. They recommend, as good practice, that a licence period of five years would be reasonable.

The Council will, therefore, issue a successful applicant for a Private Hire Operator's Licence with a five-year licence from the date of grant; subject to the power to grant a licence for a shorter period of time should this be appropriate in the circumstances. (The issue of 5 year licences will not commence until April 2016. Three year licenses will continue to be issued until then).

### **5.4 Fees**

On receipt of the appropriate fee, the permitted number of vehicles can be increased at any time during the period of the licence.

### **5.5 Operation**

A private hire operator must ensure that every private hire vehicle is driven by a person who holds a private hire driver's licence.

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All three licences:

- private hire operator's licence,
- private hire driver's licence and
- private hire vehicle licence

must be issued by the same Licensing Authority.

### **5.6 Conditions**

The Council has power to impose such conditions on a private hire operator's licence as it considers reasonable, necessary and proportionate.

The Council consider the conditions detailed in Appendix 7 to be reasonable, necessary and proportionate. All private hire operator's licences will be issued with these conditions attached.

### **5.7 Insurance**

It is considered appropriate for a Licensing Authority to check that appropriate public liability insurance has been taken out for premises that are open to the public.

Before an application for a private hire operator's licence is granted, the applicant must produce evidence that they have taken out appropriate public liability insurance for the premises to be licensed.

The conditions applicable to Private Hire Operator's Licences, as detailed in Appendix 7 require that the operator produces an appropriate certificate of motor insurance which covers every private hire vehicle they operate as well as appropriate public liability insurance for their premises.

### **5.8 Address from which an Operator may operate**

Upon the grant of an operator's licence, the Council will specify on the licence the address from which the operator may operate. This address will be the address stated on the application form. The operator must notify the Council in writing of any change of address during the period of the licence, whether this is a home address or the operating address, within seven days of such a change taking place.

### **5.9 Gaming Machines**

Operators that provide a waiting facility for members of the public and/or drivers should be aware that they cannot make gaming machines available for use. This action would be a criminal offence under the Gambling Act 2005.

## **6. Penalty Points Scheme**

Any vehicle that is approached by an Authorised Officer of Sevenoaks District Council in order to carry out a vehicle inspection/driver check must remain until the inspection has

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been carried out. An exemption to this is if a fare arrives, which the driver is obliged to take or the driver informs the officer of a pre-booked fare prior to the inspection taking place.

Alternatively an Authorised Officer of Sevenoaks District Council may request that you attend the Council offices with the licensed vehicle in order to carry out an inspection.

Sevenoaks District Council's have implemented a Penalty points system in order to regulate enforcement and any action required.

This scheme is used to enforce current legislation and any future bye laws in respect of Hackney Carriage Drivers and will be operated as follows:

- The Council's Taxi Licensing and Enforcement Policy will be fully considered by an authorised officer when determining the manner on which any breach of legislation or the requirements of this Policy are dealt with.
- Where it is decided that the use of the penalty points system is appropriate, the points are issued in accordance with the appendix. If the appendix allows a range of points for a particular incident, the authorised officer will determine the appropriate number of points proportionate to the offence.
- Penalty points will only be imposed where the licensee agrees the breach or offence has taken place. Where the licensee does not agree that the breach or offence has taken place, the matter will be referred in the first instance to the Licensing Manager for consideration regarding further action. The Licensee may be required to appear before the Licensing Committee.
- The imposition of penalty points against a driver who is an employee will not necessarily result in additional imposition of points to his/her employer or operator. However the Council retains the discretion to issue penalty points to drivers, driver/proprietors and operators for a single contravention if the circumstances warrant it i.e. the breach is one against all these licences and it is considered joint responsibility is held.
- Points issued to either a proprietor or driver will be confirmed in writing within ten working days from the discovery of the contravention.
- When issued, the penalty points will remain "live" for a period of one year from the date they are imposed so that only points accumulated in a rolling twelve month period will be taken into account.
- There is no financial penalty associated with the system and the licensee may continue to work. However, the licensee may be asked to attend either a meeting with the Licensing Manager or attend a hearing of the Licensing Committee if 12 penalty points are imposed on an individual licence in any one 12 month period, where appropriate action will be taken in accordance with this policy.
- Where a driver, proprietor or operator attains more than 12 penalty points, disciplinary options available to the Licensing Committee will include suspension or revocation of the driver's licence, where appropriate.

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- If it is felt that the matter does not warrant suspension or revocation of the licence, the period for which the points are to remain “live” may be extended or a written warning may be issued to the driver as to his future conduct.
- Periods of suspension of a licence will be dependent on the nature of the breaches of the legislation or the requirements of this Policy and the compliance history of the licence holder.
- A driver will always have the right to be represented at any meeting, either legally or otherwise, and to state any mitigating circumstances he/she deems necessary.
- Any driver or vehicle proprietor or operator subject to suspension or revocation has the right of appeal to the Magistrates Court against the suspension or revocation. All suspensions will therefore be subject to a 21-day appeals period prior to implementation to allow for the formal appeals process.
- The penalty points system will operate without prejudice to the Council’s ability to take other action under appropriate legislation or as provided for by this policy.

The penalty points system outlined in Appendix 10 identifies a number of breaches of conditions, byelaws and/or statutory provisions. It then indicates the number of points to be invoked should the breach be proven.

### **7. Taxi ranks**

#### **7.1. Appointed Stands**

Comments are welcomed from either the trade or the public on the need for additional bays in specific locations, the potential for re-locating or extending existing bays or indeed arguments for the removal of bays which no longer fulfil a useful purpose.

#### **7.2 Waiting on Stands**

It is an offence for any person to cause or permit any vehicle other than a hackney carriage to wait on any rank or stand for hackney carriages. Drivers of hackney carriages may only wait on a rank or stand whilst plying for hire or waiting for a fare; drivers who park on a rank or stand and leave their vehicle unattended are committing an offence.

Whilst the law states it is an offence to leave a vehicle unattended on a hackney stand, discretion will be allowed for drivers leaving their vehicles in acceptable circumstances, for example “comfort breaks. Should a hackney carriage vehicle be left unattended on a bay for any other circumstances, for example “shopping”, it will be dealt with as an offence in accordance with this Policy.

### **8. Plying for Hire**

For the avoidance of doubt, the Council does not have a byelaw requiring hackney carriages to return to a taxi rank between fares. Hackney carriages can, therefore, park and be available for hire in any position where an ordinary member of the public can lawfully park. Hackney carriages are, however, subject to road traffic regulations and should not park in any position that obstructs the highway, the highway being both the road and the footway.

### **9. Taxi/ Private Hire Meetings**

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The Council wishes to encourage discussions between the trade and the Licensing Authority, in order to promote a successful working relationship taxi/private hire liaison meetings will take place.

**10. Departure from the Policy**

There may be instances whereby the Council may need to consider applications outside the policy. Where it is necessary to depart substantially from this policy, clear and compelling reasons for doing so will be given. Any such decision may be referred to the Licensing Committee.

**11. Amendments to the Policy**

All changes to the Policy are made by the Licensing Committee only.

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### **Appendix 1 - Statement of policy about relevant convictions**

When submitting an application for a licence to drive a hackney carriage or private hire vehicle you are required to declare any motoring offences and any non motoring convictions or cautions you may have in addition to completing a Disclosure & Barring Service check. The information received will be treated in confidence.

The disclosure of a criminal record or other information will not debar you from gaining a licence unless the Authority considers that the conviction(s) renders you unsuitable. In making this decision the authority will consider the nature of the offence, how long ago and what age you were when it was committed and any other factors which may be relevant. To facilitate a consistent approach the licensing authority has devised guidelines relating to the relevance of convictions and cautions. Any applicant refused a driver's licence on the ground that he/she is not a fit and proper person to hold such a licence has a right of appeal to Magistrates Court.

If you would like to discuss what effect a conviction might have on your application you may telephone the Licensing Department, in confidence, on 01732 227004 for advice.

#### **General**

Notwithstanding the existence of this Policy, each application will be determined on its own merits. Where it is necessary for the Council to depart substantially from this Policy, clear and compelling reasons will be given for doing so. The purpose of this appendix is to formulate guidelines, consistent with national guidance, which detail the Council's current stance on the relevance of convictions and cautions in respect of applications for the grant of new licences, and the renewal of existing licences, for hackney carriage and private vehicle, driver and operator licences.

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If a court has found an applicant guilty of an offence, that person cannot subsequently claim to the Council that they did not commit the offence. If they seek to do so, their representation will not be considered as this is entirely a matter for the courts. The applicant can, however, offer any mitigating circumstances relating to the offence that they wish the Council to consider.

For the purpose of this Policy, the acceptance of a fixed penalty notice will be treated as a conviction depending on the individual merits and mitigating circumstances of each case.

### **“Fit and proper” person**

The legislation clearly states that the Council may grant a licence only if it is satisfied that the applicant is a “fit and proper” person.

The onus is on the applicant to demonstrate that they meet this requirement, not on the Council to demonstrate that the applicant does not.

In the absence of a judicially approved definition of “fit and proper”, the Council use the test of:

Would the Officer charged with the ability to grant a licence allow their son or daughter, spouse or partner, mother or father, grandson or granddaughter, or any other person for whom they care, to get into a licensed vehicle with the applicant alone?

The wording of this test originates from Mr J T H Button BA, Solicitor, MIL, MClarb, a well known and respected solicitor widely acknowledged as an authority in licensing legislation, particularly that of hackney carriages and private hire.

In order to further assist in understanding the interpretation of this definition, the Council will be considering issues that assist them in determining whether or not applicants are safe drivers with a good driving record, are mentally and physically fit, are honest, and that they are persons who would not take advantage of their position to abuse, assault or defraud members of the public.

It should be borne in mind that drivers may carry vulnerable members of the public such as elderly persons, unaccompanied children, disabled persons, persons who are incapacitated from alcohol, lone women and foreign visitors. Some examples of areas of concern that the Council will consider include, but are not limited to:

### **Honest and trustworthiness**

Drivers often have knowledge that a customer is leaving a property empty; they have opportunities to defraud drunken, vulnerable or foreign person; or they have opportunities to abuse their position of trust. For example, all passengers would expect to be charged the correct fare of the journey and be given the correct change; they would expect any lost property to be handed in to the Licensing Authority; and they would expect confidentiality to be maintained between themselves and the driver.

### **Professionalism**

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Drivers are often subject to unpleasant, abusive or dishonest behaviour, albeit from a small minority of passengers. Although this is clearly unacceptable behaviour by passengers, it does not excuse in any way aggressive or abusive conduct by drivers. Confrontation should be avoided and all disputes should be resolved through the formal legal channels. Under no circumstances must drivers take the law into their own hands.

### **Good and safe driving ability**

Passengers are paying for a service whereby they expect to reach their chosen destination promptly and safely. Drivers must be fully conversant with all road traffic legislation and this Policy and drive in a professional, lawful and safe manner at all times.

### **Protecting the Public**

The over-riding consideration for the Council in its determination of applications is the promotion of the licensing objectives detailed within this policy, in particular the protection of public safety.

### **History**

The Council may take into account an applicant's history as a licence holder with this, or any other Council. In considering whether or not a person is "fit and proper the Council may consider such matters as the applicant's complaint history, their compliance with this Policy, their co-operation with Licensing Officer's requests and any other reasonable matters.

### **Driving Offences**

Hackney carriage and private hire drivers should provide a professional service to the public and must be aware of the safety of passengers and other road users at all times. Any traffic offence shows a lack of responsibility whilst driving either in terms of vehicle maintenance or the level of driving standards.

Convictions or cautions for traffic offences will not automatically preclude any applicant from obtaining a licence, however, the number, nature and frequency of such offences will be considered. In some circumstances it may be appropriate to issue a licence together with a written warning as to future driving standards detailing the likely effect of further offences. Where there is a significant history of driving offences, an application is likely to be refused.

In cases of six penalty points or less on an applicant's DVLA driving licence, an application will be granted.

A licence granted under these circumstances is likely to be issued together with a verbal warning as to future driving standards detailing the likely effect of further offences.

In cases of seven penalty points or more on an applicant's DVLA driving licence, an application may be referred to the Licensing Committee for decision.

### **Major traffic offences**



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For the purposes of this section, major traffic offences includes, but is not limited to, dangerous driving, driving whilst disqualified, failure to stop after an accident, driving with no/invalid insurance, careless driving, and driving a vehicle with mechanical defectives (such as brakes, steering, tyres, etc..).

The driving offences of causing death by dangerous or careless driving, due to their nature, will be considered by the Council to be violent offences and should be considered in conjunction with the section of this appendix relating to violent offences.

If the applicant has been convicted of more than one major traffic offence then a licence application will normally be refused until the applicant has completed a period of at least five years free from conviction. Where the combination of offences are considered to be of increased risk to the public, a period longer than five years may be substituted by the Council dependant of the extent of the risk to the public.

#### **“Totting Up” under section 35 of the Road Traffic Offenders Act 1988**

Where an applicant has been disqualified from driving by the courts under the “totting up” procedure, the Council will normally refuse an application until there has been a period of three years free of relevant convictions.

If the applicant has demonstrated to the court “exceptional hardship” and avoided a driving disqualification, applications will still normally be refused until there has been a period of three years free of relevant convictions. The Council believe that the risk to the public is sufficient to maintain this consistent stance.

#### **Motor Insurance Offences**

An isolated motor insurance offence will not automatically preclude an application form being granted, however the Council deem such offences to be serious given the risk to the public.

More than one conviction for motor insurance offences will be considered to raise serious doubts as to an applicant’s suitability to hold a hackney carriage/private hire driver’s licence. Ordinarily in these circumstances, an application will be refused until such time as a period of three years has elapsed since the restoration of the applicant’s DVLA driving licence.

#### **Failure to Declare Motoring Offences**

Where an applicant fails to disclose motoring offences on their application form, even if they have been declared on previous applications or are spent, the Council will normally deal with this by way of issuing of penalty points.

If, however, the Council determines that there was a premeditated intention to deceive, the matter will be considered as an offence of dishonesty and dealt with in accordance with that section of this Policy.

#### **Drunkenness**

## Agenda Item 7a

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Separate consideration will be given to convictions for drunkenness whilst in charge of a vehicle as opposed to drunkenness whilst not in charge of a vehicle due to the differing risk to the public.

### In Charge of a Motor Vehicle

The Council considers driving or being in charge of a vehicle whilst under the influence of alcohol as a serious offence causing a high element of risk to the public.

A single conviction for any alcohol-related driving offence will normally preclude an application from being granted for a period of five years from the restoration of the DVLA driving licence.

If there is a suggestion that the applicant is an alcoholic, a special medical examination is likely to be required before the application is considered. If the applicant is confirmed as an alcoholic, a period of three years must elapse after treatment is complete before an application can be considered.

More than one conviction for any alcohol-related driving offence represents an unacceptable risk to the public and an application will normally be refused.

### Not in Charge of a Motor Vehicle

An isolated conviction for drunkenness not associated with driving or being in charge of a motor vehicle will not automatically preclude an application.

Where there is an isolated conviction for disorder and/or drunkenness, a licence will normally be granted together with a written warning as to future driving standards detailing the likely effect of further offences.

More than two convictions for disorder and/or drunkenness will normally lead to refusal of an application until such time as a period of three years free of convictions has elapsed.

### **Drug Offences**

The Council considers all offences related to controlled substances as a serious risk to the public.

An applicant with a conviction of any Class A or Class B drug related offence, including supplying or trafficking, will be required to show a period of five to ten years free of convictions before an application is considered. The length of period over and above the minimum five years will be dependent on factors such as the nature and severity of the offence, and the length of any custodial sentence.

An applicant with a conviction of any Class C drug related offence will be required to show a period of at least three years free of conviction

In all cases, where an applicant has been medically classed as an addict, an application will be precluded until such time as a period of five years has elapsed since the completion of a recognised detoxification programme.

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### **Sexual or Indecency Offences**

As hackney carriage and private hire drivers often carry unaccompanied and/or vulnerable people, any applicant with a conviction or caution for any sexual or indecency offence will normally be refused a licence until they have been free of convictions for a period of at least ten years. The length of period over and above the minimum ten years will be dependent on factors such as the nature and severity of the offence, and the length of any custodial sentence.

Existing licence holders should be aware that if the Council receives notification from the police that the driver is being investigated for a sexual or indecency offence, their licence will normally be revoked with immediate effect pending the outcome of the investigation.

### **Major Sexual or Indecency Offences**

For the purpose of the Policy, the following offences will be considered as major sexual or indecency offences with the highest of risk to the public.

- rape;
- indecent assault;
- gross indecency;
- possession of child pornography;
- buggery; or
- indecent assault of a child

Any applicant with a conviction for a major sexual or indecency offence will be considered an unacceptable risk to the public and any application will be refused, save for exceptional circumstances.

### **Violent Offences**

The Council considers all violence related offences as a serious risk to the public.

An application will normally be refused where the applicant has been convicted of murder, manslaughter or causing death by careless or dangerous driving.

An application will normally be refused where the applicant has a conviction for a violent offence, other than those listed above, unless there has been a period of five to ten years free of convictions. The length of period over and above the minimum five years will be dependent on factors such as the nature and severity of the offence, and the length of any custodial sentence.

Offences of criminal damage and public order will be treated as violent offences for the purposes of this Policy.

Whilst an isolated conviction for a violent offence, other than those listed above will not necessarily permanently preclude an application, the Council will have grave concern for public safety if an applicant has committed multiple violent offences.

### **Multiple Offences**

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In all cases where an applicant has more than two convictions for violent offences, as application will normally be refused. In the case of an existing driver, their licence will normally be revoked.

### **Possession of a Weapon**

If an applicant has been convicted of an offence involving the possession of a weapon, or any other weapon-related offence, the Council considers this to be an unacceptable risk to members of the public and the application will normally be refused. In the case of an existing driver, their licence will normally be revoked.

### **Dishonesty**

Hackney carriage and private hire drivers are expected to be persons of trust. It is comparatively easy for dishonest drivers to defraud the public, for example, by demanding more than the legal fare or giving incorrect change. Overseas visitors can be confused by the change in currency and become vulnerable to an unscrupulous driver. Equally, any customers can be defrauded by a driver taking them by any other than the shortest route or by them retaining lost property left in the vehicle.

As members of the public entrust themselves to the care of licensed drivers, the council consider offences involving dishonesty as a serious risk to public safety.

An applicant that has been convicted of an offence related to dishonesty will normally be refused a licence until such time as they have been free of convictions for a period of five to ten years. The length of period over and above the minimum five years will be dependent of factors such as the nature and severity of the offence, and the length of any custodial sentence.

### **Other Offences**

If the applicant has declared any other offences not specifically covered by this policy on the relevance of convictions, the application may be referred to the Licensing Committee for determination in line with the Policy Objectives.

Receipt of any of the following may result in the licence holder being required to provide annual DBS disclosures until a period of five years has expired.

- criminal conviction;
- final warning letter from the Council;
- period of suspension of an existing licence.

### **Outstanding charges or summonses**

If the individual is the subject of an outstanding charge or summons their application can continue to be processed, but the application will need to be reviewed at the conclusion of proceedings. Where information is received through the Notifiable Occupations Scheme on existing licence holders, consideration may be made at committee.

If the outstanding charge or summons involves a serious offence and the individual's conviction history indicates a possible pattern of unlawful behaviour or character trait, then in the interests of

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public safety the application may be put on hold until proceedings are concluded or the licence may be refused.

A suspension or revocation of the licence of a driver takes effect at the end of the period of 21 days beginning with the day on which notice is given to the driver. If it appears that the interests of public safety require the suspension or revocation of the licence to have immediate effect, and the notice given to the driver includes a statement that is so and an explanation why, the suspension or revocation takes effect when the notice is given to the driver. [Road Safety Act 2006, s 52, 2A&2B]

### **Non-conviction information**

If an applicant has, on more than one occasion, been arrested or charged, but not convicted, for a serious offence which suggests he could be a danger to the public, consideration should be given to refusing the application. Such offences would include serious violent offences and serious sex offences.

In assessing the action to take, the safety of the travelling public must be the paramount concern.

### **Cautions**

Admission of guilt is required before a caution can be issued. Every case will be considered on its own merits including the details and nature of the offence.

### **Summary**

Except in the most serious of circumstances, an applicant having a previous or current conviction will not normally be permanently precluded from obtaining a hackney carriage/private hire driver's licence.

The Council believe that a person convicted of an offence, who is required to wait for the expiry of a rehabilitation period prior to their application being considered, is more likely to value their licence and ensure that future convictions are avoided.

The Council consider that there are, however, certain offences that are so serious in nature or frequency that an applicant should be precluded from obtaining or retaining a licence. The Council's over-riding policy objective is to safeguard the safety of the general public by ensuring that all licensed drivers are safe, competent, and are able to maintain their vehicles to an acceptable standard.

By producing clear and transparent guidelines on the relevance of convictions, the Council is seeking to maintain the high standard of hackney carriage and private hire drivers, proprietors and operators within Sevenoaks.

### **Existing Licence Holders**

Any existing licence holder convicted of an offence during the period of their current licence will be subject to the above policy relating to the relevance of convictions. In circumstances

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[Type text]

where a new applicant would normally have their application refused, an existing licence holder would normally have their licence revoked.

### **Principles of the Rehabilitation of Offenders Act 1974 (“the 1974 Act”)**

Under the 1974 Act, criminal convictions can become spent after a certain period of time, and once spent, for many purposes, can be disregarded completely. The possibility of rehabilitation, and the length of time before the rehabilitation occurs, depends on the sentence imposed and not the offence committed. Where a person is sentenced to imprisonment for a period exceeding thirty months, the convictions can never be spent.

Despite the above general principles, the Act does not apply to applicants for hackney carriage and private hire driver’s licences. This is because the driving of these vehicles is listed as a “regulated occupation” in relation to which questions may be asked as to the suitability of individuals to be granted a licence.

Although the 1974 Act does not prevent any judicial authority, including the Council acting as the licensing authority, from taking spent convictions into account, such convictions are only admissible in so far as they are relevant to the issue as to whether the applicant is a “fit and proper” person to hold a licence.

### **Appendix 2 - Vehicle Test Standards**

Sevenoaks District Council will not licence any vehicle that is classed as a Category C insurance write off.

#### **Licence Plates - currently licensed vehicles**

Where vehicles are presented with licence plates affixed such licence plates in the case of both Hackney Carriages and Private Hire vehicles shall be securely affixed as follows;

External Plate – should be fixed under the rear number plate. Elsewhere on the rear exterior bodywork is acceptable (i.e. bumper, boot) subject to the agreement of the Council, provided always that the plate is fixed in the vertical plane; the external plate should never be displayed inside the rear window of the vehicle.

Internal Plate - inside the vehicle on the left hand side of the front windscreen and in plain view of the passengers but avoiding the windscreen wiper area.

Internal Drivers Badge - inside the vehicle on the left hand side of the front windscreen and in plain view of the passengers but avoiding the windscreen wiper area.

[Type text]

Fare Plate or Chart - securely affixed inside the vehicle in such a position that it is clearly visible to passengers and shall contain a copy of the current maximum Hackney Carriage Fare Tariff as currently adopted by the Council (or, if vehicle is Private Hire, the Operator's fares if they are displayed). The vehicle plate number will be shown on the fare chart together with details of how the passenger(s) can make a complaint regarding the vehicle or driver.

### **Insurance**

A valid copy of the insurance certificate appertaining to the tested vehicle shall be available inside the vehicle.

### **The Standard of the Test**

Any vehicle tested must reach the standards specified within this appendix and be certified roadworthy to MOT standards.

Vehicles of a class that are not subject to EU Type' approval, and are being tested for the first time will be additionally tested to ensure tyres, weight limits and any other aspect of the vehicle are safe and mechanically sound as possible for the safety of the passenger. Costs of such additional testing must be paid by the person wishing to licence the vehicle. In addition the history of the vehicle will be taken into consideration when determining whether the vehicle should be licensed.

### **Exterior Bodywork and Wheel Trims**

The bodywork of the vehicle shall be in good condition and shall be as originally fitted by the manufacturer. Minor paint chipping, scuffmarks or very small dents may be accepted, provided that their extent does not impinge materially on the overall appearance of the vehicle. Wheel trims must be fitted to all road wheels where part of a manufacturer's original

### **Upholstery**

All upholstery shall be clean and in a well maintained condition. No tear, crack, hole or burn will be acceptable if greater than 25 mm in any dimension. Upholstery includes seats, headrests, armrests, carpets and other trim.

### **Fittings**

All fittings shall be properly maintained and in good working order. Fittings include clocks, interior lights, sun blinds, door surrounds, grab handles, other equipment provided for passenger comfort and any equipment in, on or forming part of the vehicle including wheelchair ramps and securing fitments where the vehicle is to be licensed to carry wheelchair bound passengers.

### **'No Smoking' signs**

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In accordance with legislative requirements a 'No Smoking' sign(s) will be exhibited within the vehicle and such sign(s) will be of the approved type.

### **Roof and Floor Coverings**

Shall be clean and in good condition. No tear or other damage shall exceed 25 mm in length.

### **Number of Passengers allowed (the term "passenger" or "person" includes a child or young person)**

At the time of testing a vehicle, the number of passengers which may be carried, (up to a maximum of 8 persons), will be calculated as follows subject to there being one seat belt provided per passenger:

- a. where separate seats for each person are provided, one person for each seat:
- b. where continuous seats are fitted, one person for each complete length of 400mm measured along the front of each seat, and this criterion also applies where there are folding arms;
- c. where there is no separate seat for the driver, i.e. there is a continuous seat, for a right hand drive vehicle, the driver's seat shall comprise so much of the seat as extends from the right hand edge of the seat to a point 450 mm left of the point on the seat directly in front of the centre of the steering column.

### **Taximeters (and Fare Tables for Private Hire Vehicles)**

All Hackney Carriage vehicles licensed or to be licensed shall have a taximeter fitted. Private Hire vehicles, licensed or to be licensed, may have a taximeter fitted. Any vehicle fitted with a meter shall be tested on the road by reference to a measured distance to establish that the taximeter is accurate. In relation to Hackney Carriages the test shall be to establish that the meter does not produce a fare in excess of the maximums prescribed the current Hackney Carriage Fare Tariff approved by the Council. In relation to Private Hire vehicles the test shall be to establish that the meter does not produce a fare in excess of the operator's current fares. Where a Private Hire Vehicle is fitted with a taximeter a table showing the current fares of the operator shall be displayed inside the vehicle in such a position that it is clearly visible to passengers. In all cases taximeters shall be fitted in such way that they are visible to passengers.

Taximeters fitted to Hackney Carriages (and Private Hire vehicles, if provided with one), must be EU approved or specifically approved by the Council.

### **Disabled Person's Facilities**

Where a vehicle is fitted with any facilities to assist disabled persons in entering or exiting the vehicle (i.e. swivel seats or similar or wheelchair facilities) such facilities shall be checked for proper operation. Wheelchair lifting equipment must comply with the Lifting Operations Lifting Equipment Regulations 1998 B.



[Type text]

### **Roof Signs**

A Hackney Carriage must have a roof "TAXI" sign. Such wording shall be displayed conspicuously in either the front or the rear of the roof mounted display facing either the front or the rear. The sign may be in any position on the roof. The sign shall be illuminated and capable of being turned on and off (preferably via the meter but manual off/on is acceptable). No "TAXI" sign is allowed inside a vehicle. In addition to the word "TAXI" the sign may also contain the words "for Hire" and a taxi firm's telephone number and name. If the vehicle is available for hire the roof light must be illuminated.

A Private Hire vehicle shall not have any roof-mounted sign, or any similar sign inside the vehicle, or any other "thing" which may be mistaken/construed as a Hackney Carriage sign.

### **Doors**

A vehicle shall have four side opening doors (designed for the purpose of permitting persons access to/from the interior) - any lift-up tailgate shall not be included;

or

A vehicle shall have three side opening doors (designed for the purpose of permitting persons access to/from the interior) and two rear opening doors (designed for the purpose of permitting persons access to/from the interior)

### **Windows**

All windows designed to open shall operate in accordance with manufacturer's specification.

The Authority will not license a hackney carriage vehicle if any window of it contains glass which has been treated so that less than 50% of light is transmitted through it. The area within the vehicle where there is no seating and is used for luggage only may have tinted glass as per manufacturing but must not be 'blacked out'.

Private hire vehicles with any tinted window of less than 50% transmission of light must not be used for the carriage of children and young persons who are, or will be, travelling without a parent or independent adult supervision. The only exception is that where a child or young person is to be carried as a passenger unaccompanied by an adult then it will be for the proprietor of the vehicle, and/or the operator, to satisfy themselves that such a journey in a vehicle with tinted windows is with the knowledge and consent of that child or young person's parent or guardian and the details of such knowledge and consent, whether verbal or written, will form part of the Operator's Records required to be kept by licence condition. It is good practice to always advise a person making a booking for a private hire vehicle of the vehicle type and description, including whether it has tinted windows. (Without prejudice to the Road Vehicles (Construction & Use) Regulations 1986).

### **Company Advertising**

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[Type text]

For saloons and estate cars all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area between the centres of the wheels (wheel base).

For transit and people carrier type vehicles all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area to the rear of the centre of the front wheels and the rear light cluster.

Subject to the above a proprietor may have simple lettering and numbers on a vehicle in order to display a company name, address, telephone/fax number, E-mail/social media address or web site, or advisory notices to do with smoking, but lettering height must be a minimum of 75mm and maximum of 150mm.

No graphics/art works or slogans or other displays of any kind are permitted except with the consent of the Council.

In the case of Private Hire Vehicles company advertising is subject to the specific exclusion of the words "taxi" or "cab" the use of which is not permitted.

Advertising, not relating to a hackney carriage vehicle's proprietor or company, is allowed under certain circumstances and will have been approved by the Council in writing. The written approval must be carried in the vehicle. No such advertising is permitted on a private hire vehicle

### **Luggage Space - Vehicle Boots (and spare wheel in LPG powered vehicles)**

The space provided in the vehicle for luggage stowing whether or not the vehicle has a separate luggage boot shall be clean and tidy with space available for luggage to be stowed.

If the vehicle is powered by Liquid Petroleum Gas and the LPG fuel tank has been installed in the boot space there shall remain free an amount of space for the stowage of a reasonable amount of luggage and any spare wheel displaced as a result of the tank installation must be stowed in a location that does not impinge on the passenger carrying area of a vehicle. Where relocation of the spare wheel is not possible an acceptable alternative, as supplied by the conversion company, will be permitted.

Any vehicle adapted or constructed for the use of liquid petroleum gas must be examined to ensure such adaptation or construction complies with the guide lines as laid down by the L P Gas Association and the appropriate certificate(s) and window display is shown.

### **Driving Position**

The vehicle must be right hand drive unless the vehicle is a 'stretched limousine'.

### **Mechanical Person Lift**

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If a mechanical person lift is fitted to the vehicle a current test certificate showing compliance with the Lifting Operations Lifting Equipment Regulations 1998 B must be produced at the time of the vehicle compliance test.

### **Taximeters for Private hire vehicles**

A Private Hire vehicle may be fitted with a taximeter. If a taximeter is fitted it shall be of a type which is EU approved or specifically authorised by the Council.

### **Roof Signs**

The Authority requires that no Private Hire vehicle be fitted with a roof-mounted sign of any kind.

## **Appendix 3 - Assessing applicants and existing drivers for a Hackney Carriage/Private Hire Driver**

Assessing applicants and existing drivers for a Hackney Carriage Private Hire Vehicle driver licence in accordance with group 2 standards.

The following arrangements mean that those with good diabetic control and who have no significant complications can be treated as “exceptional cases” and are not therefore precluded from being licensed as HC/PHV drivers.

The criteria are:

- To have been taking insulin for at least 4 weeks

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[Type text]

- Not to have suffered an episode of hypoglycaemia requiring the assistance of another person whilst driving in the last 12 months;
- To attend an examination by a hospital consultant specialising in the treatment of diabetes at intervals of not more than 12 months and to provide a report from such a consultant in support of the application which confirms a history of responsible diabetic control with a minimal risk of incapacity due to hypoglycaemia;
- To provide evidence of at least twice daily blood glucose monitoring at times when driving either a hackney carriage or PHV vehicle;
- To have no other condition which would render the driver a danger when driving a hackney carriage or PHV; and to sign an undertaking to comply with the directions of the doctor(s) treating the diabetes and to report immediately to the Licensing Authority any significant change in condition.

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### **Appendix 4 - Drivers voluntary dress code.**

In order to raise and maintain the profile of the licensed trade Sevenoaks District Council is committed to encouraging the professional image of the trade and it considers that drivers should conform to a minimum standard of dress, as set out below. Whilst the Authority does not wish to impose such standards by way of conditions to any licence it expects, however, that such standards will be maintained at all times.

### **Acceptable Standards of Dress**

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- Shirts, blouses, T-shirts or sweat tops should cover the shoulders and be capable of being worn inside trousers or shorts.
- Shirts or blouses may be worn with a tie or open necked.
- Shorts of knee length or trousers / jeans may be worn.
- Footwear for all drivers shall fit around the heel of the foot.

### **Unacceptable Standard of Dress**

The following are deemed unacceptable:

- Clothing not kept in a clean condition, must be free from holes and rips.
- Words or graphics on any clothing that is of an offensive or suggestive nature or which might offend.
- Sportswear (e.g. football/rugby kits, track suits) or beach wear etc.)
- Sandals with no heel straps, flip flops or any other form of footwear not secured around the heel.
- Drivers not having either the top or bottom half of their bodies suitably clothed (see above).

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### **Appendix 5 - Specifications relating to Hackney Carriage Vehicles**

No vehicle shall be licensed as a hackney carriage unless it is fit for public service and complies with the specifications set out below.

Licences: All Vehicle Licences shall be valid for a standard term of one year (unless for administrative reasons a shorter period is appropriate).

#### **Age**

Subject to the exceptions below;

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[Type text]

- The Authority will not license a vehicle, for the first time, if it is more than 6 years old and/or has travelled greater than 100,000 miles.
- The Authority will not re-license a vehicle if it is more than 10 years old (15 years for wheelchair accessible vehicles).

### Exceptions

Subject to a vehicle being considered mechanically fit for a further year of service the following types of vehicle are exempt:

- Purpose built taxis
- Wheelchair accessible vehicles (these vehicles will be licensed until they are 15 years old but not older than 15 years old)
- Limousines, which must have a minimum engine capacity over 3,000 cc/Specialist Vehicles

### Type Limitations

The Authority will not license a vehicle unless it meets the following criteria:-

- (a) The vehicle shall have four side opening doors (designed for the purpose of permitting persons access to/from the interior) - any lift-up tailgate shall not be included; or a vehicle shall have three side opening doors (designed for the purpose of permitting persons access to/from the interior) and two rear opening doors (designed for the purpose of permitting persons access to/from the interior). Any vehicle's suitability for licensing will also be determined by the positioning of its seating, fittings and fixtures for the ingress and egress of passengers and their safety.
- (b) The vehicle is right-hand drive unless the vehicle is one known as a 'stretched limousine' licensed for private hire use and paragraphs (a), (c) and (d) of this part of the policy will be construed accordingly.
- (c) The vehicle must have E.U Type Approval
- (d) if (c) cannot be satisfied then a Department of Transport Certificate of Single Vehicle Approval must be produced.

The Authority will allow advertisements to be placed upon a vehicle subject to the following conditions:

- For saloons and estate cars all advertising/graphics etc. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area between the centres of the wheels (wheel base).
- For transit and people carrier type vehicles all advertising/graphics etc. must be confined to the side, rear or bonnet. Where advertising appears on the side of such

[Type text]

a vehicle it must be contained within the area to the rear of the centre of the front wheels and the rear light cluster.

- Subject to the above, a proprietor may have simple lettering and numbers on a vehicle in order to display a company name, address, telephone/fax number, E-mail/social media address or web site but lettering height must be a minimum of 75mm and maximum of 150mm.
- No graphics/art works or slogans or other displays of any kind are permitted except with the consent of the Council.
- In the case of Private Hire Vehicles advertising is subject to the specific exclusion of the words "taxi", "cab" or "hire" the use of which is not permitted.
- Advertising, not relating to the vehicle's proprietor or company, may, under certain circumstances, be allowed on a hackney carriage vehicle on submission of a written request and details of the advertisement to the Council. Each request will be considered entirely on its own merits and, if approved, the written authority must be carried in the vehicle. No such advertising is permitted on a private hire vehicle.

### **Licence Plate Content**

The external and internal licence plate issued by the Authority will include the following information;

- a. Licence No.
- b. Registration No.
- c. Vehicle make/Type.
- d. Licence expiry date.
- e. No. of passengers.

### **Minimum Number of Passengers to be carried**

No vehicle capable of carrying more than 8 passengers can be licensed by the Council.

In order to facilitate the licensing of a wide variety of vehicle types and to encourage more environmentally friendly vehicles the Council has not set a limit on the minimum number of seats but instead requires a minimum space standard per passenger as detailed in the basic specifications for vehicles.

### **Vehicle Test Standards**

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The Authority will not license a vehicle unless the person examining it (for the Authority) has confirmed that it meets the standards specified in Appendix 1 and, at the same time, the vehicle has been certified roadworthy to MOT standard.

Vehicles of a class that are not subject to 'EU Type approval' and are being tested for the first time will be additionally tested to ensure tyres, weight limits and any other aspect of the vehicle are safe and mechanically sound as possible for the passenger. Costs of such testing must be paid by the person wishing to licence the vehicle. In addition, the history of the vehicle will be taken into consideration when determining whether the vehicle should be licensed.

A vehicle is required to be re-examined, when the licence has been in force for six months, to ensure that it continues to meet the standards referred to above.

### **Vehicles Powered by Liquid Petroleum Gas (LPG)**

An applicant for a licence involving a vehicle which has been converted to run on LPG is required to produce, prior to a licence being issued, a certificate issued by a member of the LPG Association confirming that the LPG installation conforms with the Association's Code of Practice and is, therefore, considered safe.

If an LPG conversion involves installation of an LPG fuel tank in a vehicle's boot space (and possible relocation of the spare wheel) it shall be a requirement that an amount of space shall remain free for the stowage of a reasonable amount of luggage, and any spare wheel displaced as a result must be stowed in a location that does not impinge on the passenger carrying area of a vehicle. Where relocation of the spare wheel is not possible an acceptable alternative, as supplied by the conversion company, will be permitted.

### **TINTED WINDOWS (Without prejudice to the Road Vehicles (Construction & Use) Regulations 1986)**

The Authority will not license a hackney carriage vehicle if any window of it contains glass which has been treated so that less than 50% of light is transmitted through it, unless it was first licensed prior to 1 November 2005.

Private hire vehicles with any tinted window of less than 50% transmission of light must not be used for the carriage of children and young persons who are, or will be, travelling without a parent or independent adult supervision. The only exception is that where a child or young person is to be carried as a passenger unaccompanied by an adult then it will be for the proprietor of the vehicle, and/or the operator, to satisfy themselves that such a journey in a vehicle with tinted windows is with the knowledge and consent of that child or young person's parent or guardian and the details of such knowledge and consent, whether verbal or written, will form part of the Operator's Records required to be kept by licence condition. It is good practice to always advise a person making a booking for a private hire vehicle of the vehicle type and description, including whether it has tinted windows.

### **Matters relating to Hackney Carriage vehicles only**



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## Accessibility

This section of the policy also takes into account the 2007 report published by the European Conference of Ministers of Transport and the International Road Transport Union which recognised that it is impossible to provide for 100% of wheelchair users without reducing the operational viability of the vehicle for the taxi operator and other passengers. There will be a small proportion of people who, because of the size of their wheelchair or the nature of their disability, are unable to access taxis or indeed other forms of mainstream public transport. They will continue to need specialist door-to door services.

Sevenoaks District Council is committed to promoting inclusive and accessible environments and ensuring a wide range of opportunities are available to residents with disabilities to enjoy a high quality of life. Without the ability to travel, people with disabilities are denied access to life opportunities. Their access to education, shopping, employment, healthcare as well as social and family life is significantly improved when journeys become accessible. For this reason, Sevenoaks District Council considers it important that people with disabilities have access to all forms of public transportation. Accessibility is an important consideration in respect of vehicles licensed as hackney carriages. This Authority will therefore keep this section of the policy constantly under review.

Sevenoaks District Council is aware of the Government's proposals to implement the provisions of the Equality Act 2010 in relation to hackney carriages. The Government announced its proposals for taxis in 2003 and since that time has been consulting and gathering further information.

The Government is now considering how best to bring forward requirements for accessible taxis, and this includes evaluation of all options, both regulatory and non-regulatory approaches are being considered.

The ECMT-IRU recommendations for taxi vehicle accessibility are based on two design levels:

- Type One: Wheelchair Accessible Taxis: accessible vehicles capable of carrying the majority, but not all, passengers who travel in their wheelchair as well as people with other disabilities;
- Type Two: Standard Accessible Taxis: vehicles with features designed to make use by disabled people easier, but which would only be able to carry a wheelchair user who can transfer to a taxi seat.

### Restriction on Numbers of Licensed Vehicles

Although at the moment there is no restriction on how many hackney carriage vehicles can be licensed, Sevenoaks District Council will seek to address this matter when the need arises and may carry out a demand survey to seek clarification whether there is unmet demand for Hackney carriage vehicles within the whole district.

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### Re-allocation of Expired Hackney Carriage Vehicle Plates

If, when a hackney carriage licence expires, the vehicle is not re-licensed within twenty-eight days and the owner does not take steps to inform the Council of his/her intentions, then the plate will be re-allocated. A letter will be sent to the owner of the vehicle advising them that the licence has expired.

### **Taximeters**

The Authority requires every vehicle licensed as a Hackney Carriage to be fitted with a taximeter. The Taximeter shall be of a type which is EU approved or specifically authorised by the Council.

### **Roof Signs**

The Authority requires all Hackney Carriage vehicles to be fitted with working roof-mounted signs. If the illuminated roof lights have red in them, they must be fitted so that the red light is visible from the rear. If the vehicle is available for hire the roof light must be illuminated.

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### **Appendix 5A - Hackney carriage vehicle conditions**

#### **Meanings**

In these conditions, unless otherwise indicated,

“the Council” means the Sevenoaks District Council; and

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“the district” means the area of the Sevenoaks District Council

“proprietor” means a person who is the holder of a licence issued by the Council under section 37 of the Town Police Clauses Act 1847 and Part II of the Local Government (Miscellaneous Provisions) Act 1976

“vehicle “ means the vehicle that is specified on that licence

**Fixing of vehicle plates**

The proprietor must ensure that the identification plate and fare chart, which have been supplied by the Council, are fixed and maintained in the positions specified and are kept in a clean and legible condition.

Plate etc..	Position
External Licence Plate	Under the rear registration number plate or, in exceptional circumstances, another position near that location subject to the Council's prior approval.
Internal Licence Plate	Inside the vehicle on the left hand side of the front windscreen and in plain view of the passengers but avoiding the windscreen wiper area.
Fare Chart With Plate Number	In a conspicuous position inside the passenger compartment of the vehicle so that it can be read by passengers.

**Roof signs**

The Authority requires all Hackney Carriage vehicles to be fitted with working roof-mounted signs. The proprietor must fix a sign on the roof of the vehicle of a design acceptable to the Council. The sign must have the word TAXI printed on it. It may also have printed upon it the words FOR HIRE and the name and/or telephone number of the proprietor’s taxi firm. If the illuminated roof lights have red in them, they must be fitted so that the red light is visible from the rear. If the vehicle is available for hire the roof light must be illuminated.

**Advertising and other signs**

The proprietor must not permit any advertising on or in the vehicle which is not advertising his/her taxi firm unless authorised to do so by the Council in writing.

The proprietor must not permit any sign or mark other than those required or allowed in paragraphs 1 and 2 except with the express consent of the Council.

Advertisement of the proprietor’s taxi firm must be in accordance with the following criteria:

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1. For saloons and estate cars all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area between the centres of the wheels (wheel base).
2. For transit and people carrier type vehicles all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area to the rear of the centre of the front wheels and the rear light cluster.
3. Subject to (i) and (ii) the above a proprietor may have simple lettering and numbers on a vehicle in order to display a company name, address, telephone/fax number, E-mail address or Web site, or advisory notices to do with smoking, but lettering height must be a minimum of 75mm and maximum of 150mm.
4. No graphics/art works or slogans or other displays of any kind are permitted except with the consent of the Council.

### **No smoking**

In accordance with legislative requirements a 'No Smoking' sign(s) will be exhibited within the vehicle and such sign(s) will be of the approved type.

### **Spoilage of the interior of the vehicle by passengers**

Where a passenger has spoiled the interior of the vehicle any dispute in this respect including any claim for damages shall be a matter between the proprietor and the passenger.

The wording in (a) above shall be reproduced in plainly visible lettering on the fare chart.

### **Wheelchair signs**

Subject to the provisions of paragraph 4 above the proprietor may affix a sign on the outside of the vehicle indicating that it is able to convey passengers in wheelchairs provided the vehicle has been manufactured or properly adapted for that purpose.

### **Carriage of animals other than guide/hearing/assistance dogs**

The proprietor has discretion as to whether the vehicle is used to convey an animal other than a guide or hearing dog within the meaning of Section 37 of the Disability Discrimination Act 1995. When a guide/hearing/assistance dog etc. is conveyed, no extra charge shall be made. Conveyance of a guide or hearing dog etc. may only be declined if the driver of the vehicle has been granted a statutory exemption on medical grounds.

### **Production of certain documents**

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The proprietor must at any time by demand of an officer of the Council produce for inspection any or all of the following documents;

- A current, valid, certificate of motor insurance, or cover note valid for at least 28 days for the vehicle that provides insurance cover for it as a Hackney Carriage;
- A current, valid, MOT test certificate for the vehicle as required by S47 of the Road Traffic Act 1988;
- The current proprietor's Hackney Carriage Vehicle licence for the vehicle; and
- The vehicle's V.5 Registration Document.

### **Motor insurance certificate**

The proprietor must at all times ensure that the vehicle is properly insured for use as a Hackney Carriage and a copy of the insurance certificate should be available inside the vehicle whilst it is licensed as a Hackney Carriage.

### **Damage to the vehicle**

The proprietor must, in the event of any damage to the vehicle materially affecting its safety, performance, appearance or comfort or convenience of passengers, report the occurrence to the Council **with 72 hours** in accordance with Section 50(3) of the Local Government (Miscellaneous Provisions) Act 1976 and the vehicle must not be used for hire again without the approval of the Council.

### **Taximeter**

The proprietor must ensure that the vehicle is fitted with an EU or Council approved taximeter and the taximeter:

- Is calibrated at all times with a tariff not higher than the current Hackney Carriage Fare Tariff approved by the Council.
- Is not tampered with in any way so as to effect the production of a fare that exceeds the maximum fare laid down by the current Hackney Carriage Fare Tariff approved by the Council.
- When its machinery is in action, records on its face, in figures clearly legible and free from ambiguity, the fare which the driver is entitled to demand and take for the hiring of the carriage.
- Has the word 'fare' printed on its face in plain letters so that the word clearly applies to the fare recorded thereon.
- Is positioned so that all letters and figures on its face are plainly visible to any passengers and for that purpose the letters and figures are suitably illuminated during any period of hiring.

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### **Maximum fare**

When the vehicle is hired the proprietor must not in any circumstances require or cause to be charged a fare which is greater than that authorised by the Council's current Hackney Carriage Fare Tariff.

### **Drivers**

The proprietor must ensure that each person who drives the vehicle;

- holds a current and valid Hackney Carriage Drivers Licence issued by the Council.
- is acquainted with and understands their licence conditions and related statutory provisions.
- observes Council Byelaws and related statutory provisions.

### **Breakdowns etc.**

If, whilst hired, the vehicle breaks down or otherwise becomes unfit or unable to carry the hirer to his/her destination, the proprietor must; secure, without delay, suitable alternative transport to carry the hirer to his/her destination, unless the hirer voluntarily elects to wait until the vehicle is repaired or is otherwise able to continue the journey and report the occurrence to the Council within **24 hours**.

### **Lost property**

In relation to property which has been left, or may have been left, in the vehicle by passengers the proprietor must;

- search the vehicle daily to establish whether or not there is any such property.
- if any such property is found, notify the Council within **72 hours** and provide a description of the property.
- take reasonable steps to secure the return of the property to its owner.

### **Presentation of the vehicle for inspection**

The proprietor must present the vehicle for inspection at any time and at any place required by the Council. If the vehicle is not presented at the place and time required by the Council then it may not be used as a Hackney Carriage without the Council's approval.

### **Disclosure of convictions/cautions**

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The proprietor must notify the Council in writing of any convictions or cautions imposed on him/her whilst the licence is in force. Such notification must occur within **21 days** of the imposition of a conviction/caution.

### **Transfer of hackney carriage interest in the vehicle.**

If the proprietor, or part proprietor, transfers his/her Hackney Carriage interest in the vehicle to another person or persons the proprietor, or part proprietor, must notify the Council within 14 days of the date of the transfer and specify the name and address of each person to whom the interest has been transferred. (The Council may, with reasonable cause, revoke, suspend or review the licence if it considers any transferee is not a suitable person to hold a Hackney Carriage Vehicle Licence).

A fee and change of ownership form must also be submitted to the Council with a valid insurance document, V5 registration document and a current MOT test certificate whenever a vehicle is sold to another licensed driver.

### **Complaints by hirers**

The proprietor of the vehicle must ensure that, should any complaint be made regarding the vehicle or its driver, then sufficient information must be given to the complainant for that person to be able to identify the driver and/or the vehicle and the means of pursuing such complaint with the Council if necessary by giving the details of the Officer Licensing 'Taxis' his/her office address, name and telephone number.

### **Use of trailers**

The vehicle may tow a trailer only when one is required in order to convey a hirer's luggage. If a trailer is towed it shall;

- comply with the towing weights specified by the vehicles' manufacturer;
- provide secure and weatherproof stowage for the luggage; and
- have displayed, upon its rear, the vehicle's licence plate.

The vehicle is not permitted to have a trailer in tow whilst it is standing on a taxi rank.

### **Other matters**

The proprietor must ensure that;

- the vehicle is provided with sufficient means by which passengers may communicate with the driver and such means of communication are maintained.
- the vehicle is maintained in a clean, comfortable, safe, watertight, mechanically sound and roadworthy condition.
- at all times windows that are designed to open shall do so in accordance with manufacturer's specifications.

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- that, at all times, the area designed for the stowage of luggage is kept clear and available for the purpose.

### **Tinted windows**

The Hackney Carriage, once it has been licensed, is not permitted to have any treatment to its windscreen or windows which would cause the light transmission through the glass to be less than 50%.

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## **Appendix 5B - Specifications relating to Private Hire Vehicles**

Licences: All Vehicle Licences shall be valid for a standard term of one year (unless for administrative reasons a shorter period is appropriate).

### **Age**

Subject to the exceptions below;

- The Authority will not license a vehicle, for the first time, if it is more than 6 years old and/or has travelled greater than 100,000 miles.
- The Authority will not re-license a vehicle if it is more than 10 years old (15 years for wheelchair accessible vehicles).

### **Exceptions**

Subject to a vehicle being considered mechanically fit for a further year of service the following types of vehicle are exempt:

- Purpose built taxis
- Wheelchair accessible vehicles (these vehicles will be licensed until they are 15 years old but not older than 15 years old)
- Limousines, which must have a minimum engine capacity over 3,000 cc/Specialist Vehicles

### **Type Limitations**

The Authority will not license a vehicle unless it meets the following criteria:-

- (a) The vehicle shall have four side opening doors (designed for the purpose of permitting persons access to/from the interior) - any lift-up tailgate shall not be included; or a vehicle shall have three side opening doors (designed for the purpose of permitting persons access to/from the interior) and two rear opening doors (designed for the purpose of permitting persons access to/from the interior). Any vehicle's suitability for licensing will also be determined by the positioning of its seating, fittings and fixtures for the ingress and egress of passengers and their safety.
- (b) The vehicle is right-hand drive unless the vehicle is one known as a 'stretched limousine' licensed for private hire use and paragraphs (a), (c) and (d) of this part of the policy will be construed accordingly.
- (c) The vehicle must have E.U Type Approval
- (d) If (c) cannot be satisfied then a Department of Transport Certificate of Single Vehicle Approval must be produced.

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### **Environmental Considerations**

The Best Practice Guidance asks licensing authorities to consider how far their vehicle licensing policies can and should support any local environmental policies that they have adopted, bearing in mind the need to ensure that the benefits outweigh costs (in whatever form). They suggest that authorities may, for example, wish to consider setting vehicle emissions standards, perhaps by promoting cleaner fuels.

It is considered that efforts should be made, through the licensing policy, to improve, as far as possible, the efficiency of vehicles licensed in the District by, in particular, reducing the levels of CO<sub>2</sub> emitted from petrol vehicles and the equivalent from diesel. There is a movement towards the use of alternative fuels and in many areas LPG conversions to vehicles are perfectly acceptable and encouraged. This will, however, be dependent on supplies of such fuel being made readily available. It may also be the case that the installation of storage tanks into vehicles may affect the ability to carry luggage.

Clearly, emissions from hackney carriages and private hire vehicles could be reduced further, by encouraging better maintenance of vehicles and by switching off engines when stationary or idling, particularly at hackney carriage ranks. It is proposed that this aspect be tackled through education and promotion.

In view of the above detail, unless more urgent measures are introduced by central government in the meantime, this Council will monitor any research published and Government guidelines with a view to specifying vehicle emissions standards and promoting cleaner vehicles.

To help consider the environmental impact, any petrol electric vehicle with an engine size under 1500cc will be considered to be licensed on a case by case basis. Sevenoaks District Council suggests that, in order to promote a greener environment, any vehicle that promotes cleaner fuel emissions may be entitled to pay a reduced fee at the time of having the vehicle tested by Sevenoaks District Council's appointed workshop.

### **Advertising**

The Authority will allow advertisements to be placed upon a vehicle subject to the following conditions:

- (a) For saloons and estate cars all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area between the centres of the wheels (wheel base).
- (b) For transit and people carrier type vehicles all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the

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side of such a vehicle it must be contained within the area to the rear of the centre of the front wheels and the rear light cluster.

(c) Subject to the above, a proprietor may have simple lettering and numbers on a vehicle in order to display a company name, address, telephone/fax number, E-mail address or Web site, but lettering height must be a minimum of 75mm and maximum of 150mm.

(e) No graphics/art works or slogans or other displays of any kind are permitted except with the consent of the Council.

(f) In the case of Private Hire Vehicles advertising is subject to the specific exclusion of the words "taxi", "cab" or "hire" the use of which is not permitted.

(g) Advertising, not relating to the vehicle's proprietor or company, may, under certain circumstances, be allowed on a hackney carriage vehicle on submission of a written request and details of the advertisement to the Council. Each request will be considered entirely on its own merits and, if approved, the written authority must be carried in the vehicle. No such advertising is permitted on a private hire vehicle.

### **Licence Plate Content**

The external and internal licence plate issued by the Authority will include the following information;

- a. Licence No.
- b. Registration No.
- c. Vehicle make/Type.
- d. Licence expiry date.
- e. No. of passengers.

### **Minimum Number of Passengers to be carried**

No vehicle capable of carrying more than 8 passengers can be licensed by the Council.

In order to facilitate the licensing of a wide variety of vehicle types and to encourage more environmentally friendly vehicles the Council has not set a limit on the minimum number of seats but instead requires a minimum space standard per passenger as detailed in the basic specifications for vehicles.

### **Vehicle Test Standards**

The Authority will not license a vehicle unless the person examining it (for the Authority) has confirmed that it meets the standards specified in Appendix 1 and, at the same time, the vehicle has been certified roadworthy to MOT standard.

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Vehicles of a class that are not subject to 'EU Type approval' and are being tested for the first time will be additionally tested to ensure tyres, weight limits and any other aspect of the vehicle are safe and mechanically sound as possible for the passenger. Costs of such testing must be paid by the person wishing to licence the vehicle. In addition, the history of the vehicle will be taken into consideration when determining whether the vehicle should be licensed.

A vehicle is required to be re-examined, when the licence has been in force for six months, to ensure that it continues to meet the standards referred to in (a) above.

### **Vehicles Powered by Liquid Petroleum Gas (LPG)**

An applicant for a licence involving a vehicle which has been converted to run on LPG is required to produce, prior to a licence being issued, a certificate issued by a member of the LPG Association confirming that the LPG installation conforms with the Association's Code of Practice and is, therefore, considered safe.

If an LPG conversion involves installation of an LPG fuel tank in a vehicle's boot space (and possible relocation of the spare wheel) it shall be a requirement that an amount of space shall remain free for the stowage of a reasonable amount of luggage, and any spare wheel displaced as a result must be stowed in a location that does not impinge on the passenger carrying area of a vehicle. Where relocation of the spare wheel is not possible an acceptable alternative, as supplied by the conversion company, will be permitted.

### **Tinted windows**

Private hire vehicles with any tinted window of less than 50% transmission of light must not be used for the carriage of children and young persons who are, or will be, travelling without a parent or independent adult supervision. The only exception is that where a child or young person is to be carried as a passenger unaccompanied by an adult then it will be for the proprietor of the vehicle, and/or the operator, to satisfy themselves that such a journey in a vehicle with tinted windows is with the knowledge and consent of that child or young person's parent or guardian and the details of such knowledge and consent, whether verbal or written, will form part of the Operator's Records required to be kept by licence condition. It is good practice to always advise a person making a booking for a private hire vehicle of the vehicle type and description, including whether it has tinted windows. (Without prejudice to the Road Vehicles (Construction & Use) Regulations 1986)

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**Appendix 5C**

**Private Hire Vehicle Conditions**

MEANINGS

In these conditions, unless otherwise indicated,

“the Council” means the Sevenoaks District Council; and

“the district” means the area of the Sevenoaks District Council

“proprietor” means a person who is the holder of a licence issued by the Council under section 48 of the Local Government (Miscellaneous Provisions) Act 1976

“vehicle “ means the vehicle that is specified on that licence

**Fixing of licence plates etc.**

The proprietor must ensure that the following plates etc. have been supplied by the Council and is responsible for their fixing and maintenance in the positions specified and keeping them in a clean and legible condition.

Plate etc.	Position
External Licence Plate	Under the rear registration number plate or, in exceptional circumstances, another position near that location subject to the Council's prior approval.
Internal Licence Plate	Inside the vehicle on the left hand side of the front windscreen and in plain view of the passengers but avoiding the windscreen wiper area.
Fare Chart and Plate Number when meter fitted	In a conspicuous position inside the passenger compartment of the vehicle so that it can be read by passengers.

**Advertising and other signs**

(a) the proprietor must not permit any advertising on or in the vehicle which is not advertising his/her taxi firm.

(b) the proprietor must not permit any sign or mark other than those required or allowed in paragraph 1 except with the express consent of the Council.

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(c) advertisement of the proprietors taxi firm must be in accordance with the following criteria

1. For saloons and estate cars all advertising/graphics etc. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area between the centres of the wheels (wheel base).
2. For transit and people carrier type vehicles all advertising/graphics etc.. must be confined to the side, rear or bonnet. Where advertising appears on the side of such a vehicle it must be contained within the area to the rear of the centre of front the wheels and the rear light cluster.
3. Subject to (i) and (ii) the above a proprietor may have simple lettering and numbers on a vehicle in order to display a company name, address, telephone/fax number, E-mail/social media address or web site, or advisory notices to do with smoking, but lettering height must be a minimum of 75mm and maximum of 150mm.
4. No graphics/art works or slogans or other displays of any kind are permitted except with the consent of the Council.

### **No smoking**

'No Smoking' signs will be fixed inside the vehicle in accordance with current legislative requirements.

### **Spoilage of the interior of the vehicle by passengers**

(a) Where a passenger has spoiled the interior of the vehicle any dispute in this respect including any claim for damages shall be a matter between the proprietor and the passenger.

(b) The wording in (a) above shall be reproduced in plainly visible lettering within the vehicle (on or next to the fare chart if fitted).

### **Wheelchair signs**

Subject to the provisions of paragraph 2 the proprietor may affix a sign on the outside of the vehicle indicating that it is able to convey passengers in wheelchairs provided the vehicle has been manufactured or properly adapted for that purpose.

### **Carriage of animals other than guide/hearing/assistance dogs**

The proprietor has discretion as to whether the vehicle is used to convey an animal other than a guide/hearing or assistance dog within the meaning of Section 37 of the Disability Discrimination Act 1995. When a guide or hearing dog etc. is conveyed no extra charge

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shall be made. Conveyance of a guide/hearing or assistance dog etc. may only be declined if the driver of the vehicle has been granted a statutory exemption on medical grounds.

### **Production of certain documents**

The proprietor must at any time by demand of an officer of the Council produce for inspection any or all of the following documents;

- (a) a current, valid, certificate of motor insurance or cover note valid for at least 28 days for the vehicle that provides insurance cover for it as a Private Hire Vehicle;
- (b) a current, valid, MOT test certificate for the vehicle as required by S47 of the Road Traffic Act 1988;
- (c) the current proprietor's Private Hire Vehicle licence for the vehicle; and
- (d) the vehicle's V.5 Registration Document.

### **Insurance certificate**

The proprietor must at all times ensure that the vehicle is properly insured for use as a Private Hire Vehicle and a copy of the insurance certificate should be available inside the vehicle whilst it is licensed as a Private Hire Vehicle.

### **Damage to vehicle**

The proprietor must, in the event of any damage to the vehicle materially affecting its safety, performance, appearance or comfort or convenience of passengers, report the occurrence to the Council **with 72 hours** in accordance with Section 50(3) of the Local Government (Miscellaneous Provisions) Act 1976 and the vehicle must not be used for hire again without the approval of the Council.

### **Taximeter**

If a taximeter is fitted to the vehicle;

The proprietor must ensure that the taximeter is EU type approved or specifically authorised by the Council and the taximeter;

- is calibrated at all times to include the current fare tariff of the Operator.
- is not tampered with in any way so as to effect the production of a fare that exceeds the maximum fare laid down by the current fare tariff of the Operator.
- when its machinery is in action, records on its face, in figures clearly legible and free from ambiguity, the fare which the driver is entitled to demand and take for the hiring of the carriage.
- has the word ' fare' printed on its face in plain letters so that the word clearly applies to the fare recorded thereon.

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- is positioned so that all letters and figures on its face are plainly visible to any passengers and for that purpose the letters and figures are suitably illuminated during any period of hiring.

### Drivers

The proprietor must ensure that each person who drives the vehicle;

- (a) holds a current and valid Private Hire Drivers Licence issued by the Council.
- (b) is acquainted with and understands their licence conditions and related statutory provisions.
- (c) observes their licence conditions and related statutory provisions.

### Breakdowns etc.

If, whilst hired, the vehicle breaks down or otherwise becomes unfit or unable to carry the hirer to his/her destination the proprietor must;

- secure, without delay, suitable alternative transport to carry the hirer to his/her destination unless the hirer voluntarily elects to wait until the vehicle is repaired or is otherwise able to continue the journey.
- report the occurrence to the Council within **24 hours**.

### Lost property

In relation to property which has been left, or may have been left, in the vehicle by passengers the proprietor must;

- search the vehicle daily to establish whether or not there is any such property.
- if any such property is found, notify the Council within **72 hours** and provide a description of the property.
- take reasonable steps to secure the return of the property to its owner.

### Presentation of vehicle for inspection

The proprietor must present the vehicle for inspection at any time and at any place required by the Council. If the vehicle is not presented at the place and time required by the Council then it may not be used as a Private Hire Vehicle without the Council's approval.

### Disclosure of convictions or cautions

The proprietor must notify the Council in writing of any convictions or cautions imposed on him/her whilst the licence is in force. Such notification must occur within **21 days** of the imposition of a conviction/caution.



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### **Transfer of private hire interest in the vehicle**

If the proprietor, or part proprietor, transfers his/her Private Hire interest in the vehicle to another person or persons the proprietor, or part proprietor, must notify the Council within 14 days of the date of the transfer and specify the name and address of each person to whom the interest has been transferred. (The Council may, with reasonable cause, revoke, suspend or review the licence if it considers any transferee is not a suitable person to hold a Private Hire Vehicle Licence).

### **Complaints by hirers**

The proprietor of the vehicle must ensure that, should any complaint be made regarding the vehicle or its driver, then sufficient information must be given to the complainant for that person to be able to identify the driver and/or the vehicle and the means of pursuing such complaint with the Council, if necessary, by giving also the details of the Officer licensing private hire vehicles, his/her office address, name and telephone number.

### **Use of trailers**

The vehicle may tow a trailer only when one is required in order to convey a hirer's luggage. If a trailer is towed it shall;

- comply with the towing weights specified by the vehicle's manufacturer;
- provide secure and weatherproof stowage for the luggage. And
- have displayed, upon its rear, the vehicle's licence plate.

### **Other matters**

The proprietor must ensure that;

- the vehicle is provided with sufficient means by which passengers may communicate with the driver and such means of communication are maintained.
- the vehicle is maintained in a clean, comfortable, safe, watertight, mechanically sound and roadworthy condition.
- at all times windows that are designed to open shall do so in accordance with manufacturers specifications.
- that, at all times, the area designed for the stowage of luggage is kept clear and available for the purpose.

### **Tinted windows**

Private hire vehicles with any tinted window of less than 50% transmission of light must not be used for the carriage of children and young persons who are, or will be, travelling

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without a parent or independent adult supervision. The only exception is that where a child or young person is to be carried as a passenger unaccompanied by an adult then it will be for the proprietor of the vehicle, and/or the operator, to satisfy themselves that such a journey in a vehicle with tinted windows is with the knowledge and consent of that child or young person's parent or guardian and the details of such knowledge and consent, whether verbal or written, will form part of the Operator's Records required to be kept by licence condition. It is good practice to always advise a person making a booking for a private hire vehicle of the vehicle type and description, including whether it has tinted windows. (Without prejudice to the Road Vehicles (Construction & Use) Regulations 1986).

### Appendix 6

#### Private Hire Driver Conditions

In these conditions, unless otherwise indicated,

“the Council” means the Sevenoaks District Council; and

“the district” means the area of the Sevenoaks District Council

“driver of a private hire vehicle “ means a person who has been granted a licence by the Council under section 51 of the Local Government (Miscellaneous Provisions) Act 1976

A driver of a private hire vehicle shall: -

- not wilfully or negligently cause or suffer the licence plate of the vehicle to be concealed from public view while the vehicle is licensed; and
- not cause or permit the vehicle to be used, whilst licensed, with any such plate so defaced that any figure or material particular is illegible.

The driver of a private hire vehicle provided with a taximeter shall: -

- when not hired, keep the machinery of the taximeter inactive so that no fare is recorded on the face of the taximeter;
- before beginning a journey for which a fare is charged bring the machinery of the taximeter into action and keep the machinery of the taximeter in action until the termination of the hiring; and
- cause the dial of the taximeter to be kept properly illuminated throughout any part of a hiring which is between half-an-hour after sunset and half-an-hour before sunrise, and also at any other time at the request of the hirer.

A driver of a private hire vehicle shall not tamper with or permit any person to tamper with any taximeter with which the vehicle is provided, with the fittings thereof, or with the seals affixed thereto.

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Where a vehicle is equipped with a taximeter and where such taximeter is to be used to record the fare for a hiring, the driver shall -

- ensure, during the continuance of such hiring, that the dial of the taximeter is not concealed in any manner or by any means and that such dial is distinctly and plainly visible and legible to any person hiring or being conveyed in the vehicle;
- cause the dial of the taximeter to be kept properly illuminated throughout the hiring;
- report immediately to the Council and to the Operator any failure of the taximeter;
- not wilfully or negligently cause or suffer the table of the Operator's fares to be inverted or detached or altered or the letters or figures on such table to be in any manner or by any means concealed at any time.

The driver of a private hire vehicle shall behave in a civil and orderly manner and shall take all reasonable precautions to ensure the safety of persons conveyed in or entering or alighting from the vehicle.

A driver of a private hire vehicle who has agreed or has been hired to be in attendance with the vehicle at an appointed time and place shall, unless delayed or prevented by some sufficient cause, punctually attend with such carriage at such appointed time and place.

A driver of a private hire vehicle shall not convey or permit to be conveyed in such vehicle any greater number of persons than the number of persons specified on the licence plate affixed to the vehicle.

If a badge has been provided by the Council and delivered to the driver of a private hire vehicle he shall, when working as such and when hired, wear that badge in such position and manner as to be plainly visible.

The driver of a private hire vehicle so constructed as to carry luggage shall, when requested by any person hiring or seeking to hire the vehicle: -

- convey a reasonable quantity of luggage;
- afford reasonable assistance in loading and unloading; and
- afford reasonable assistance in removing it to or from the entrance of any building, station or place at which he may take up or set down such person.

The driver of a private hire vehicle shall be entitled to demand and take for the hire of the vehicle only;

- such fare as may be shown on the face of any taximeter provided in the vehicle (where the fare for the hiring is charged by reference to the Operator's table of fares) save for any extra charges authorised by the Operator which it may not be possible to record on the face of the taximeter; or
- such other fare as may have been agreed with the hirer prior to the commencement of the hiring

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The driver of a private hire vehicle bearing a table of the Operator's fares shall not wilfully or negligently cause or suffer the letters or figures in that table to be concealed or rendered illegible at any time while the vehicle is licensed.

The driver of a private hire vehicle shall immediately after the termination of any hiring or as soon as practicable thereafter carefully search the carriage for any property which may have been accidentally left therein.

The driver of a private hire vehicle shall, if any property accidentally left therein by any person who may have been conveyed in the carriage be found by or handed to him: -

- carry it as soon as possible and in any event **within 48 hours** if not sooner claimed by or on behalf of its owner, to the office of the Council and leave it in the custody of the officer in charge of the office on his giving a receipt for it; and
- be entitled to receive from any person to whom the property shall be re-delivered an amount equal to ten pence in the pound of its estimated value (or the fare for the distance from the place of finding to the office of the Council, whichever be the greater) but not more than twenty five pounds.

Private Hire Driver must comply at all times with the current legislation relating to no smoking in the vehicle whether it is used for the conveyance of the public or not.

### **Informative**

If you accept bookings for the private hire vehicle, which you are driving, direct from a hirer you must ensure that you have a Private Hire Operator's Licence, as it is unlawful for you to accept bookings without such licence.

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## **Appendix 7**

### **Private Hire operator Conditions**

In these conditions, unless otherwise indicated

"the Council" means the " Sevenoaks District Council",

"the Operator" means the holder of a licence and

"Licence" means a licence granted by the Council under section 55 of the Local Government (Miscellaneous Provisions) Act 1976 to operate private hire vehicles.

### **Record keeping**

The operator shall keep (in a non-erasable form) comprehensive records as follows;

#### **A. Drivers**

The Operator must keep up to date records of the names and addresses of all licensed drivers who are used and shall notify the Council;

- when any new driver begins service,
- when any driver's service ceases; and
- of any change of address of any driver in service,
- if he/she becomes aware that any driver is suffering from any illness, disability or condition which may affect the driver's ability to safely carry out his/her duties.

#### **B. Vehicles**

- of all vehicles operated and the dates and times during which they are operated;
- the maintenance history of each vehicle, including details of all repairs carried out;

#### **C. Bookings**

All bookings made for private hire vehicles shall be recorded the same calendar day and kept for 6 months. The record of each booking must include;

- the source from which the booking came and the time it was received
- pick-up point and the time the journey commenced;
- destination point and the time the journey ended;
- the vehicle used;
- the driver employed;

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- by whom the entry was made in the record
- the fare quoted (if quoted) at the time of booking
- the fare actually charged
- the reason(s) why the fare actually charged was different if it was different
- any other relevant information.

### **Disclosure of convictions**

The operator shall immediately disclose to the Council in writing details of any convictions imposed on him during the currency of this licence.

### **Taximeters**

Where a taximeter is used to record the fare for hiring, the Operator shall ensure that a table showing his/her current fare scale is displayed inside the vehicle in a position so that it is plainly and easily visible to any person being conveyed in the vehicle and that the table is kept in clean and legible condition.

### **Advertisement of business**

The operator must not use in any advertisement of his/her business the words "Hackney Carriage", "Taxi" or "Cab" if licensed Hackney Carriages cannot be supplied.

### **Surrender of licence**

If at any time during the period of the licence the operator for any reason does not wish to retain the licence (which is not transferable) or if at any time during the period of the licence it is suspended or revoked he must immediately surrender and return the licence to the Council.

### **Notification of accidents**

If any vehicle (licensed by the Council) which is used by the Operator is involved in an accident the Operator must notify the Council within **72 hours**.

### **Running of a business**

The Operator shall;

- provide a prompt, reliable and efficient service to the public at all reasonable times and in particular ensure that the premises to which the public have access for the purpose of making bookings or waiting for cars etc. are kept clean and provided with adequate seating facilities;
- ensure that the use of the premises which is used for the running of his/her business has no detrimental effect on the neighbourhood.

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- notify the Council within **21 days** of any change of business address or change of company or trading name.

### **Public liability insurance**

If the Operator has premises to which the public have access, in connection with the hiring of vehicles, he shall ensure that there is public liability insurance in force which indemnifies him against any claim for loss, damage or personal injury by any person using those premises.

### **Driver – Medical fitness**

The Operator must not knowingly permit a driver to drive a licensed vehicle if he/she is aware that the person is suffering from any illness, disability or condition which may affect their ability to safely carry out their duties.

### **Vehicle with tinted windows**

If a Private Hire Vehicle with tinted windows which have less than 50% light transmission through any of them is used for the carriage of children or young persons without adult supervision then it is the responsibility of the Operator to ensure that, when the booking for the vehicle is taken, the person accepting the booking has sought the knowledge and consent of the child or young persons parent or guardian for the journey and such knowledge and consent whether verbal or written is recorded in the Operator's 'Record of Journeys' as required by these licence conditions.

### **Informative**

The Operator shall be aware that a booking accepted by telephone, or otherwise verbally, is a lawful agreement and he/she may be liable for breach of contract if a booking is not honoured. The accurate recording of booking details is a means of protecting yourself if such circumstances arise.

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### Appendix 8

#### Hackney Carriage Byelaws

Made under section 68 of the Town Police Clauses Act 1847, and section 171 of the Public Health Act 1875, by the District Council of Sevenoaks with respect to hackney carriages in the District of Sevenoaks.

#### INTERPRETATION

1. Throughout these byelaws “the Council” means the District Council of Sevenoaks and “the district” means the District of Sevenoaks.

#### PROVISIONS REGULATING THE MANNER IN WHICH THE NUMBER OF EACH HACKNEY CARRIAGE, CORRESPONDING WITH THE NUMBER OF ITS LICENCE, SHALL BE DISPLAYED.

2. The proprietor of a hackney carriage shall cause the number of the licence granted to him in respect of the carriage to be legibly painted or marked on the outside and inside of the carriage, or on plates affixed thereto.

A proprietor or driver of a hackney carriage shall: -

- not wilfully or negligently cause or suffer any such number to be concealed from public view while the carriage is standing or plying for hire;
- not cause or permit the carriage to stand or ply for hire with any such painting, marking or plate so defaced that any figure or material particular is illegible.

#### PROVISIONS REGULATING HOW HACKNEY CARRIAGES ARE TO BE FURNISHED OR PROVIDED.

3. The proprietor of a hackney carriage shall: -

- provide sufficient means by which any person in the carriage may communicate with the driver;
- cause the roof or covering to be kept water-tight;
- provide any necessary windows and means of opening and closing not less than one window on each side;
- cause the seats to be properly cushioned or covered;
- cause the floor to be provided with a proper carpet, mat or other suitable covering;
- cause the fittings and furniture generally to be kept in a clean condition, well maintained and in every way fit for public service;



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- provide means for securing luggage if the hackney carriage is so constructed as to carry luggage;
- provide at least two doors for the use of persons conveyed in such carriage and a separate means of ingress and egress for the driver.

4. The proprietor of a hackney carriage shall cause the same to be provided with a taximeter so constructed, attached and maintained as to comply with the following requirements, that is to say: -

- (a) the taximeter shall be fitted with a key, flag or other device the turning of which will bring the machinery of the taximeter into action and cause the word "HIRED" to appear on the face of the taximeter;
- (b) such key, flag or other device shall be capable of being locked in such a position that the machinery of the taximeter is not in action and that no fare is recorded on the face of the taximeter;
- (c) when the machinery of the taximeter is in action there shall be recorded on the face of the taximeter in clearly legible figures a fare not exceeding the rate or fare which the proprietor or driver is entitled to demand and take for the hire of the carriage by distance and time in pursuance of the tariff fixed by the Council;
- (d) the word "FARE" shall be printed on the face of the taximeter in plain letters so as clearly to apply to the fare recorded thereon;
- (e) the taximeter shall be so placed that all letters and figures on the face thereof are at all times plainly visible to any person being conveyed in the carriage, and for that purpose the letters and figures shall be capable of being suitably illuminated during any period of hiring; and
- (f) the taximeter and all the fittings thereof shall be so affixed to the carriage with seals or other appliances that it shall not be practicable for any person to tamper with them except by breaking, damaging or permanently displacing the seals or other appliances.

PROVISIONS REGULATING THE CONDUCT OF THE PROPRIETORS AND DRIVERS OF HACKNEY CARRIAGES PLYING WITHIN THE DISTRICT IN THEIR SEVERAL EMPLOYMENTS, AND DETERMINING WHETHER SUCH DRIVERS SHALL WEAR ANY AND WHAT BADGES.

5. The driver of a hackney carriage provided with a taximeter shall: -

- (a) when standing or plying for hire, keep the key, flag or other device fitted in pursuance of the byelaw in that behalf locked in the position in which no fare is recorded on the face of the taximeter;
- (b) before beginning a journey for which a fare is charged for distance and time, bring the machinery of the taximeter into action by moving the said key, flag or other device, so that the word "HIRED" is legible on the face of the taximeter and keep the machinery of the taximeter in action until the termination of the hiring; and

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- (c) cause the dial of the taximeter to be kept properly illuminated throughout any part of a hiring which is between half an hour after sunset and half an hour before sunrise, and also at any other time at the request of the hirer.
6. A proprietor or driver of a carriage shall not tamper with or permit any person to tamper with any taximeter with which the carriage is provided, with the fittings thereof, or with the seals affixed thereto.
7. The driver of a hackney carriage shall, when plying for hire in any street and not actually hired: -
- (a) proceed with reasonable speed to one of the stands appointed by the Council;
  - (b) if a stand, at the time of his arrival, is occupied by the full number of carriages authorised to occupy it, proceed to another stand;
  - (c) on arriving at a stand not already occupied by the full number of carriages authorised to occupy it, station the carriage immediately behind the carriage or carriages on the stand and so as to face in the same direction; and
  - (d) from time to time, when any other carriage immediately in front is driven off or moved forward, cause his carriage to be moved forward so as to fill the place previously occupied by the carriage driven off or moved forward.
8. At no time is smoking permitted in any Hackney Carriage or Private Hire Vehicle.
9. A proprietor or driver of a hackney carriage, when standing or plying for hire shall not make use of the services of any other person for the purpose of importuning any person to hire such carriage.
10. The driver of a hackney carriage shall behave in a civil and orderly manner and shall take all reasonable precautions to ensure the safety of persons conveyed in or entering or alighting from the vehicle.
11. The proprietor or driver of a hackney carriage who has agreed or has been hired to be in attendance with the carriage at an appointed time and place shall, unless delayed or prevented by some sufficient cause, punctually attend with such carriage at such appointed time and place.
12. A proprietor or driver of a hackney carriage shall not convey or permit to be conveyed in such carriage any greater number of persons than the number of persons specified on the plate affixed to the outside of the carriage.
13. If a badge has been provided by the Council and delivered to the driver of a hackney carriage he shall, when standing or plying for hire, and when hired, wear that badge in such position and manner as to be plainly visible.
14. The driver of a hackney carriage so constructed as to carry luggage shall, when requested by any person hiring or seeking to hire the carriage: -
- (a) convey a reasonable quantity of luggage;
  - (b) afford reasonable assistance in loading and unloading; and

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- (c) afford reasonable assistance in removing it to or from the entrance of any building, station or place at which he may take up or set down such person.

PROVISIONS FIXING THE RATES OR FARES TO BE PAID FOR HACKNEY CARRIAGES WITHIN THE DISTRICT, AND SECURING THE DUE PUBLICATION OF SUCH FARES.

15. The proprietor or driver of a hackney carriage shall be entitled to demand and take for the hire of the carriage the rate or fare prescribed by the Council, the rate or fare being calculated by distance and time unless the hirer expresses at the commencement of the hiring his desire to engage by time.

Provided always that, where a hackney carriage furnished with a taximeter shall be hired by distance and time, the proprietor or driver thereof shall not be entitled to demand and take a fare greater than that recorded on the face of the taximeter, save for any extra charges authorised by the Council which it may not be possible to record on the face of the taximeter.

16.(a) The proprietor of a hackney carriage shall cause a statement of the fares fixed by Council resolution to be exhibited inside the carriage, in clearly distinguishable letters and figures.

(b) The proprietor or driver of a hackney carriage bearing a statement of fares in accordance with this byelaw shall not wilfully or negligently cause or suffer the letters or figures in the statement to be concealed or rendered illegible at any time while the carriage is plying or being used for hire.

PROVISIONS SECURING THE SAFE CUSTODY AND REDELIVERY OF ANY PROPERTY ACCIDENTALLY LEFT IN HACKNEY CARRIAGES, AND FIXING THE CHARGES TO BE MADE IN RESPECT THEREOF.

17. The proprietor or driver of a hackney carriage shall, immediately after the termination of any hiring or as soon as practicable thereafter, carefully search the carriage for any property which may have been accidentally left therein.

18. The proprietor or driver of a hackney carriage shall, if any property accidentally left therein by any person who may have been conveyed in the carriage be found by or handed to him:

- (a) carry it as soon as possible and in any event within 48 hours, if not sooner claimed by or on behalf of its owner, to the office of the Council, and leave it in the custody of the officer in charge on his giving a receipt for it; and

- (b) be entitled to receive from any person to whom the property shall be redelivered an amount equal to ten pence in the pound of its estimated value (or the fare for the distance from the place of finding to the office of the Council, whichever is the greater) but not more than twenty five pounds.

PENALTIES

19. Every person who shall offend against any of these byelaws shall be liable on summary conviction to a fine not exceeding Level 2 on the Standard Scale and in the case of a

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continuing offence to a further fine not exceeding two pounds for each day during which the offence continues after conviction therefore.

### REPEAL OF BYELAWS

The byelaws relating to hackney carriages referred to in the following schedule are hereby repealed.

### SCHEDULE

Date of Byelaws	By Whom Made	Date of Confirmation	By Whom Confirmed
17th December 1964	Sevenoaks Urban District Council	5th April 1965	An Assistant Under Secretary of State

GIVEN under the COMMON SEAL OF THE DISTRICT COUNCIL OF SEVENOAKS this 7th day of October 2004

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**Appendix 9**

**PENALTY POINTS SYSTEM  
LIST OF OFFENCES/BREACH OF LICENCE CONDITIONS**

Town Police Clauses Act 1847		
Section	Offence	Penalty Points
40	Giving false information on application for HC proprietor's licence.	12
44	Failure to notify change of address of HC proprietor.	2
45	Plying for hire without HC proprietor's licence.	8-12
47	Driving a HC without HC driver's licence.	8-12
47	Lending or parting with HC driver's licence.	4
47	HC proprietor employing unlicensed driver.	12
48	Failure by HC proprietor to hold HC driver's licence for person driving the vehicle.	6
48	Failure by HC proprietor to produce HC driver's licence.	3
52	Failure to display HC plate.	4
53	Refusal to take a fare without reasonable excuse	6-12
54	Charging more than the agreed fare.	6-12
55	Obtaining more than the legal fare. (Failure to refund)	6-12
56	Travelling less than the lawful distance for an agreed fare.	6-12
57	Failure to wait after a deposit to wait has been paid.	6-12
58	Charging more than the legal fare.	12
59	Carrying other person than the hirer without consent of hirer	8
60	Driving HC without proprietor's consent.	6-12
60	Allowing another to drive HC without proprietor's consent.	6-12
62	Driver leaving HC unattended.	2
64	HC driver obstructing other HC's.	3
Local Government (Miscellaneous Provision) Act 1976		
Section	Offence	Points
46(1)(a)	Using an unlicensed private hire vehicle	12
46(1)(b)	Driving a private hire vehicle without a private hire drivers" licence	12

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46(1)(c)	Proprietor of a private hire vehicle using an unlicensed driver	8-12
46(1)(d)	Operating a private hire vehicle without a private hire operator's licence	8-12
46(1)(e)	Operating a vehicle as a private hire vehicle when the vehicle is not licensed as a private hire vehicle.	12
46(1)(e)	Operating a private hire vehicle when the driver is not licensed as a private hire operator.	8-12
48(6)	Failure to display a private hire vehicle plate	4
49	Failure to notify the transfer of a HC proprietor's licence.	3
50 (1)	Failure to present a HC for inspection, as required.	6-12
50 (2)	Failure to inform the Authority where the HC is stored.	3
50 (3)	Failure to report an accident to the Authority within 72hours.	6
50 (4)	Failure to produce the HC proprietor's licence and insurance cert	4
53 (3)	Failure to produce HC driver's licence.	3-4
54(2)	Failure to wear a private hire driver's badge	3-4
56(2)	Failure of a private hire operator to keep proper records of all bookings, or failure to produce them on request of an Authorised Officer of the Council or a Police Officer	6
56(3)	Failure of a private hire operator to keep records of all private hire vehicles, or failure to produce them on request of an Authorised Officer of the Council or a Police Officer	6
56(4)	Failure of a private hire operator to produce his licence on request	4
57	Making a false statement or withholding information to obtain a HC driver's licence.	12
58 (2)	Failure to return a plate after notice given following expiry, revocation or suspension of a HC proprietor's licence.	6
61 (2)	Failure to surrender a driver's licence after suspension, revocation or refusal to renew.	6
64	Permitting any vehicle other than a HC to wait on a HC stand.	6
66	Charging more than the meter fare for a journey ending outside the district, without prior agreement.	6-12
67	Charging more than the meter fare when HC used as PH vehicle.	6-12
69	Unnecessarily prolonging a journey.	6-12

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71	Interfering with a taximeter with intent to mislead.	12
73(1)(a)	Obstruction of an authorised Officer or Constable.	12
73(1)(b)	Failure to comply with a requirement of an authorised Officer or Constable.	6-12
73(1)(c)	Failure to give information or assistance to an authorised Officer or Constable.	6-12

**Disability Discrimination Act 1995**

Section	Offence	Points
37	Refusal to carry a guide, hearing, or other assistance dog in a hackney carriage without a valid certificate of exemption	4
37	Charging an additional cost for the carrying of an assistance dog in a hackney carriage	12
37a	Refusal to carry a guide, hearing, or other assistance dog in a private hire vehicle without a valid certificate of exemption	12
37a	Charging an additional cost for the carrying of an assistance dog in a private hire vehicle	12

**Transport Act 1980**

Section	Offence	Points
64(2)(a)	Driving a vehicle with a sign above its roof which consists or includes the word "taxi" or "cab" whether alone or part of another word	10
64(2)(b)	Causes or permits a vehicle to have a sign above its roof which consists of or includes the word "taxi" or "cab" whether alone or part of another word	10

These points are dependant on adopting proposed conditions as per appendices

**Private Hire Driver's Licence Conditions - Appendix 9**

Section	Offence	Points
	Not being respectably dressed and clean & tidy in appearance	2
	Failure to wear a badge.	4-6
	Failure to behave in a civil, polite and orderly manner.	3
	Failure to ensure the safety of passengers.	4
	Concealing or defacing a licence plate.	4
	Failure to attend on time for pre-arranged booking without sufficient cause.	3
	Conveying a greater number of passengers than permitted.	6
	Failure to give assistance with passenger's luggage.	3
	Soliciting for hire or accepting a fare that is not pre-booked.	6 -12
	Operating a vehicle that is not clean and tidy	2-6

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	Driving without the consent of the proprietor.	5- 6
	Drinking or eating in the vehicle without permission of passenger.	2-3
	Causing excessive noise from any radio or sound-reproducing instrument, which annoys anyone in or outside the vehicle.	2
	Operating the horn as a means of signalling that the vehicle has arrived.	3
	Allowing the vehicle to stand in such a position as to suggest that it is plying for hire, or using a hackney carriage stand.	6
	Using a non-hands free mobile phone whilst driving	8
	Failure to provide medical certificate or not notifying a medical condition	6-12
	Failure to provide a receipt when requested.	2
	Failure to operate the meter from commencement of the journey and charging more than the fixed charge for hire of Hackney Carriages.	4-12
	Failing to notify changes within 14 days.	3
	Failure to produce a copy of the licence.	4
	Failure to notify within 7 days of starting or terminating employment, the name and address of the proprietor and the date when the employment either started or ended.	3
	Failure to show the private hire driver's licence to the proprietor at the beginning of an employment.	2
	Failure to surrender a driver's licence, badge or plate on cessation of employment.	6
	Failing to notify of change of address of any amendment to the details of a licence within 14 days	3
	Failing to disclose convictions within 7 days.	8 -12
	Failure to search vehicle daily or failure to take found property to the Council Offices within 72 hours of finding it.	3
	Failure to report an accident within 72 hours	3
	Carrying an animal other than one with passenger.	2
	Carrying an animal not safely restrained.	3
	Failure to carry assistance dog without an exemption certificate.	5-6
	Failure to comply with wheelchair carriage requirements.	5-6

### Vehicle Specifications & Conditions of Licence – Appendix 5D

Section	Offence	Points
	Operating a vehicle which does not comply with the Councils Vehicle Specification where such offence is not otherwise specified below	2 - 6
	Operating a vehicle, which is not maintained in a sound and roadworthy condition.	6
	Operating a vehicle, which is not maintained in a clean and safe condition inside and out.	3
	Modifying a vehicle without the consent of the Council	4
	Failure to display or maintain external licence plates which indicate the maximum number of passengers who may be conveyed.	4
	Hackney vehicle signage not in accordance with council requirements.	4



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	Affixing or displaying on a private hire vehicle any roof sign.	6
	Displaying on a private hire vehicle any sign or notice which consists of or includes the word TAXI or CAB or FOR HIRE	4
	Displaying a sign or advertisement that does not comply with Council requirements or is not authorised by the Council.	3
	Taximeter which does not comply with the Council's Vehicle Specification.	5
	Trailer which does not comply the Council's Vehicle Specification	3
	Operating a vehicle which does not comply with the Council's policy requirements	6
	Operating a vehicle, which does not comply the Council's Vehicle Specification in respect of window tint.	4
	No insurance or inappropriate insurance for the vehicle.	12
	Failing to notify vehicle change or transfer within 14 days.	3
	Failing to make the vehicle licence available for inspection.	3
	Allowing a vehicle to be used for hire by a person who does not hold a current private hire or hackney driver's licence	8
	Failure to properly report an accident to the Authority.	3
	Permitting the vehicle to be used for any illegal or immoral purposes.	12

**PRIVATE HIRE OPERATORS**

**Local Government (Miscellaneous Provisions) Act 1976**

Section	Offence	Points
56 (2)	Failing to keep proper records of all bookings or failing to produce them. (also breach of conditions see below)	6
56 (3)	Failure to keep records of PH vehicles or failing to produce them. (also breach of conditions see below)	6
56 (4)	Failing to produce PH Operator' licence on request. (also breach of conditions see below)	4
46(1)(e)	Operating a PH vehicle when the driver is not licensed as a PH driver.	12
46(1)(e)	Operating a vehicle as a PH vehicle when the vehicle is not licensed as a PH vehicle.	12
73(1)(c)	Failure to give information or assistance to an authorised officer or constable.	5

**Breach of Conditions attached to Operator's Licence – Appendix 7**

	Failure to provide a prompt, efficient and reliable service at all reasonable times.	3
	Failure to ensure that office staff employed by operator act in a civil and orderly manner at all times.	3
	Failure to ensure that a vehicle attends punctually at the appointed time and place unless prevented by some sufficient cause.	4
	Failure to keep the premises clean, adequately heated, ventilated, lit, and in accordance with the requirements of licence conditions.	3
	Failure to properly keep or produce records of private hire bookings, vehicles, drivers or other documents required to be kept or produced. (see LGMP s56(2) &	6

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	(3) above)	
	Failure to act properly upon the receipt of a complaint or to notify immediately the Licensing Officer.	4
	Failure to notify the Council of any changes, including change of address from where the business operates within 14 days.	3
	Failure to disclose in writing within 7 days details of any conviction or police caution imposed on him to the licensing section.	12
	Failure to ensure that an appropriate certificate of motor insurance covers every vehicle operated by him under the licence.	6
	Failure to obtain appropriate public liability insurance for the premises or to produce the same.	4
	Failure to ensure that every driver has a private hire licence and badge.	4
	Failure to keep a copy of the conditions at the premises or to make the same available for inspection by passengers.	4
	Failure to make the Operator's licence available for inspection. (see LGMP s56 (4) above	6

DRAFT

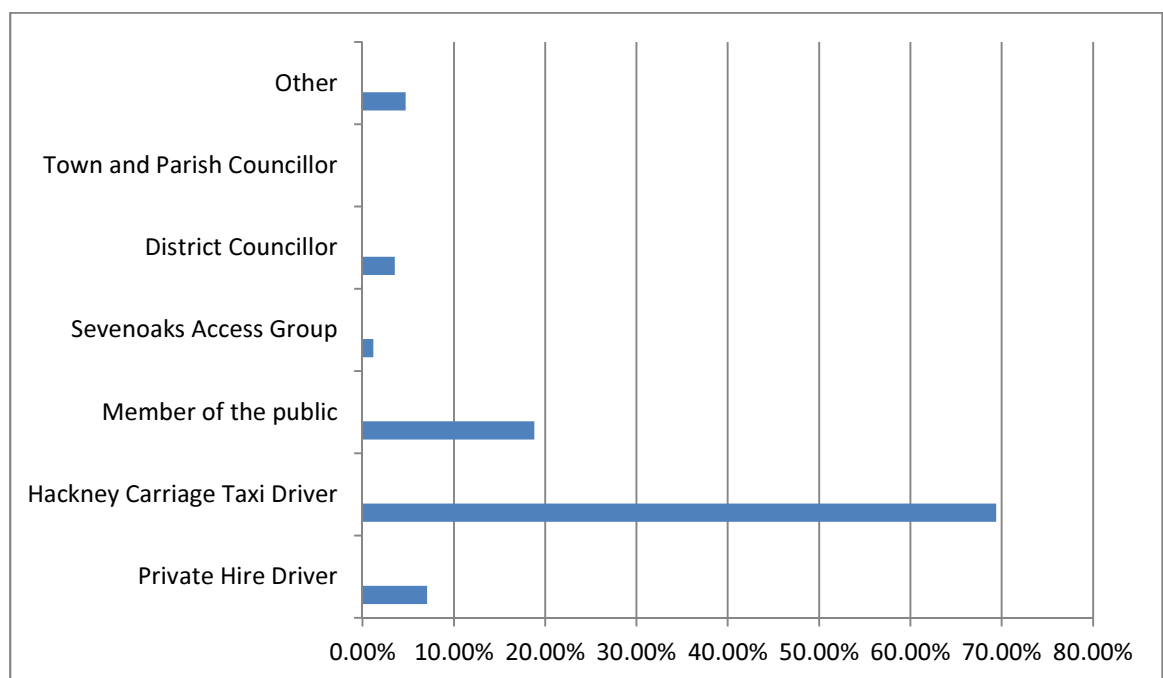
## Consultation survey on Sevenoaks District Council draft Taxi and Private Hire Licensing Policy

### Results

1. The survey ran from 12<sup>th</sup> October to 11<sup>th</sup> December 2015, and was available both online and in hard copy.
2. Most people submitted responses online; a total of 4 e-mails were received from individuals offering comments on the policy.

### 3. Profile of respondents:

- 92 people responded as individuals
- 3 were representing another group, two of which were identified as follows: local Sevenoaks residents (although no specific group was named), and the National Taxi Association
- 62 gave licence badge numbers

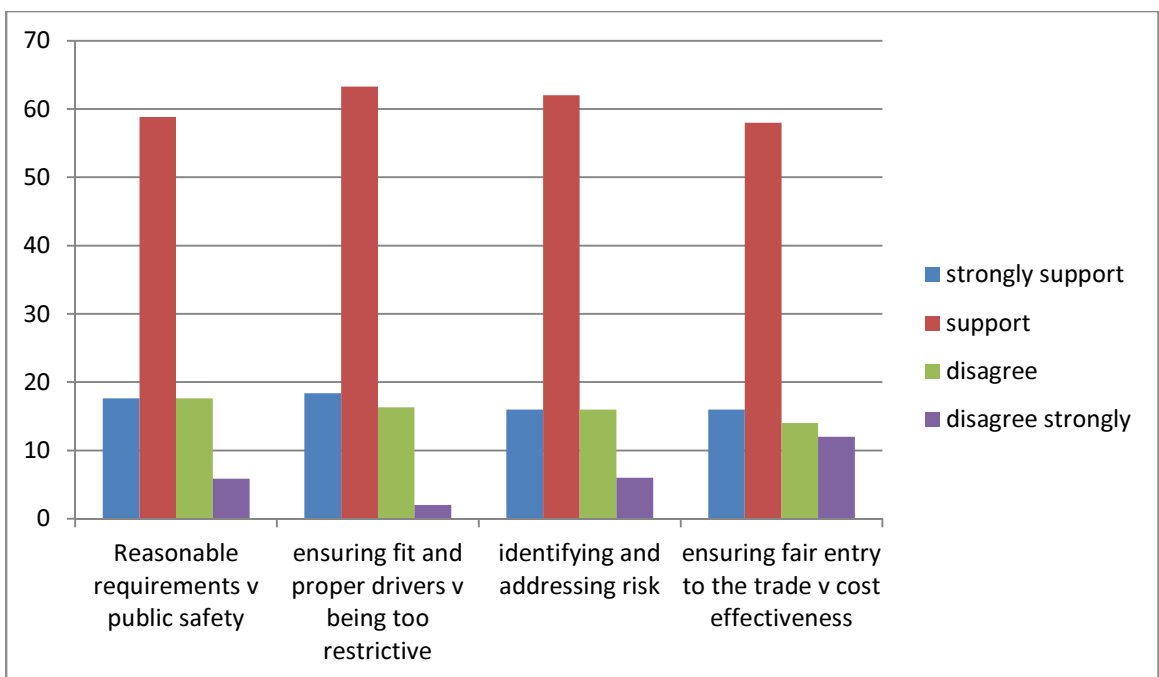


Other categories of respondents identified themselves as: Beeline Taxis Sevenoaks Director, an ex-taxi driver, two operators.

**4. The first part of the survey requested views as to whether we had achieved the right balance in the policy between a range of requirements as identified below:**

- Making reasonable requirements from drivers and ensuring public safety
- Ensuring fit and proper drivers while not being too restrictive
- Identifying and addressing risk
- Ensuring the balance between fair entry to the trade and cost effectiveness

52 responses were received on this section:



**5. We asked for views on the levels of support for the voluntary dress code and on training on disability and safeguarding**



37 respondents strongly supported/supported voluntary training on disability and safeguarding; 14 did not



31 respondents strongly supported/supported a voluntary dress code, 19 did not

**Additional comments on these questions included the following:**

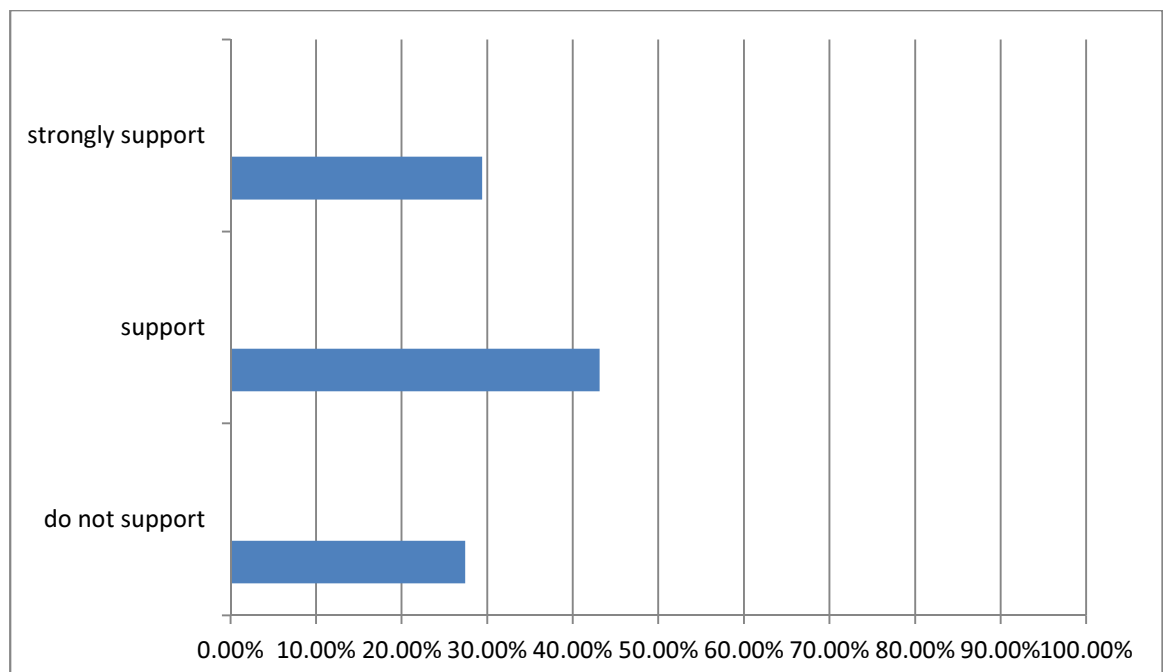
*“If you’re not aware of how to deal with persons who suffer disability, and are unaware of safeguarding children and vulnerable adults in my opinion you should not be in the trade. It is not something that should have a retrospective remedy”*

*“As previously stated at the meeting, I am not sure a “voluntary” dress code will work? There either needs to be a dress code or not, voluntary is not enforceable and can never be challenged, after all it’s voluntary!”*

*“Over recent years, standards in both have fallen. I believe there should be a minimum stated standard of dress code, i.e. smart casual, and a minimum level of knowledge and ability to be able to offer a decent service for all clients, able bodied or otherwise”.*

*“Do not really feel this applies to the taxi trade, as that policy would be primarily to safeguard vulnerable adults from neglect and abuse, which I believe would be very unlikely”.*

**6. We asked for respondents to indicate their overall level of support for the policy: (52 responses)**



**72.55% of respondents either strongly supported or supported the policy;  
29.41% did not**

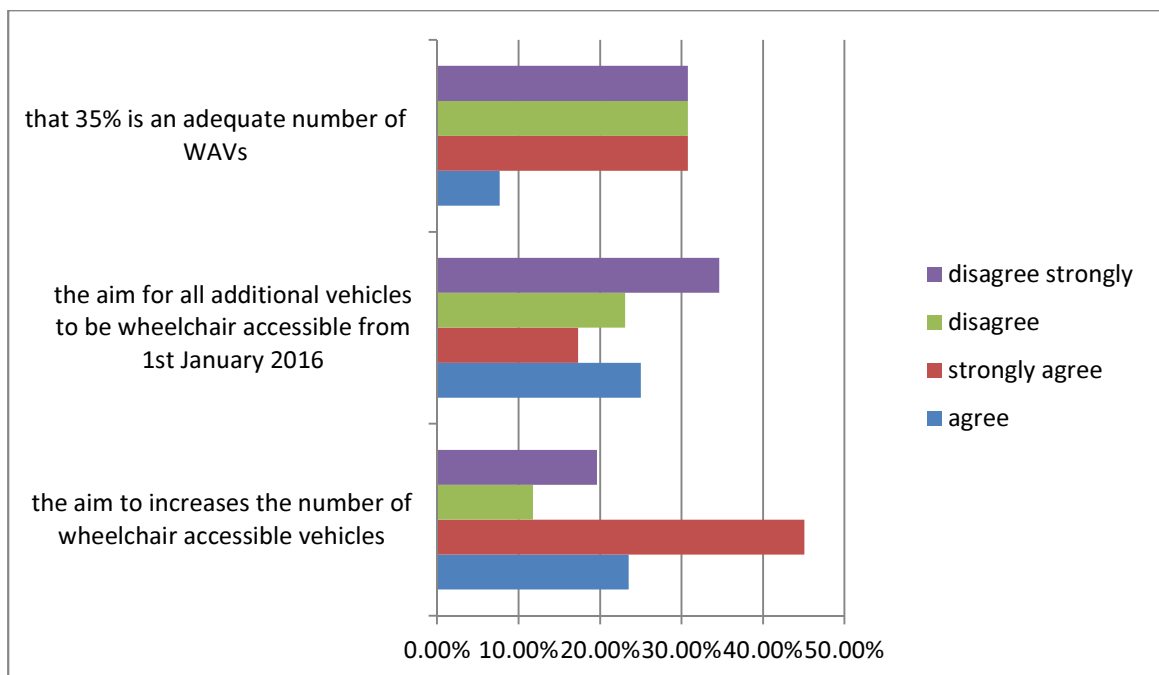
**Additional comments on the policy included the following:**

*“The proposed grandfather rights seem to be a commitment to failure. The facts of life in the UK are that increasing numbers of people are disabled and need to travel; public sector policies pertaining to provision of Hackney Carriage licences need to reflect the changing needs of the population. Implementation of the grandfather rights as proposed will increase the time it will take to reach the 35% by four or five fold. I also question the legality of the proposed grandfather rights under the Equality Act; this Act places an onus on service providers to the public to pro-actively meet the needs of the disabled; if the taxi drivers insist on grandfather rights they will be contravening this Act”.*

*“I think that it would be better to gradually phase the ideas in, for new drivers only, it will eventually cover 100 percent of drivers. Your proposal gives no way of proportional distribution of taxis within the Sevenoaks area, i.e. there could be 8 wheelchair taxis in Sevenoaks, and only 1 in Swanley, or vice versa. It also doesn’t consider that there may be lots of wheelchair cabs available in the daytime, but not at night, or more available in the week and not weekends”.*

**7. We asked for responses on our proposal to aim for 35% of wheelchair accessible vehicles (WAVs).**

**52 responses were received for this question**



There were **27 additional comments** on this section, some of which are included below. Other comments focused on the perceived lack of passengers with disabilities in the district (therefore suggesting the need was not there for more WAVs), and that a target of 35% WAVs was disproportionate.

*“I work for Beeline taxis and the number of requests for wheelchair accessible vehicles is minimal. Speaking to a number of customers I take, the main demand is for saloon cars, as many of them are elderly and are unable to get into any vehicles that are higher. Another reason we don't have the calls is that Dial a Ride charge 60p per mile for wheelchair users to travel. I recently picked a customer up who uses Dial a Ride to go to Blackheath (has fold down wheelchair) and pays £22 for a return trip. So I don't believe there will ever be the work to cover”.*

*“Obviously, we have to have more WAV's. However, as a company that complete around 600 jobs each and every day, the amount of phone calls we get is less than 1% of the total jobs. In fact, the bulk of our work requires saloon cars for taking elderly and disabled people. These passengers are unable to get in to a vehicle that is any higher than a saloon so we feel that the percentage is excessive. The problem with making all hackney carriages WAV's from 1st September 2016 is that many drivers will either try to change their vehicle before this date or swap their licences to private hire”.*

*“Any such restriction should be limited to companies only. The law may limit new independent drivers who cannot afford to invest in such a vehicle. My proposal would be any company who has 4 or more vehicles operating, should have at least 1 WAV (i.e. 25%)”.*

*“The need for accessible hackney carriages is obvious as not a single hackney carriage having a Station Licence is accessible. This situation is clearly untenable and potentially is in violation of the Disability Discrimination Act”*

*“I agree with the aim to increase the (number of) WAVs, but believe it should be optional. To promote this the council should provide incentives such as lower MOTs for WAV. I disagree to the plans to enforce new licensees to purchase WAV as the costs associated with being able to trade is at a high and WAV are quite pricy then ordinary cars. The rank is very crowded at present and larger vehicle with WAV will make it quite difficult to find space at the station”.*

**6. We asked respondents to choose three options from a list provided by the council and the trade for increasing the number of WAVs in the district:**

Answer Choices (47 responses in total)	Responses
<p>The offer from South East Rail: if a taxi driver already has a permit at the station and they upgrade their vehicle to be wheelchair accessible, they would get a Meteor permit free for a year.</p>	<p>42.55% 20</p>
<p>From 1st January 2016 all additional hackney carriage licenses must be wheelchair accessible. That is those that require the issue of a new Hackney Carriage plate number. (This does not apply to replacement vehicles, change of ownership of vehicles or vehicles that are replacing damaged vehicles).</p>	<p>31.91% 15</p>
<p>From 1st January 2018 all vehicles that reach the end of the life with respect to being eligible for licensing as a licensed vehicle (i.e. it is 10 years since the date of its first registration) must be replaced by a wheelchair accessible vehicle. (This does not apply to change of ownership of vehicles or vehicles that are replacing damaged vehicles or a total loss)</p>	<p>25.53% 12</p>
<p>As from 1st September 2016 all new taxi drivers entering into the industry will need to purchase a wheelchair accessible vehicle if they wish to operate as an owner driver.</p>	<p>38.30% 18</p>
<p>All existing plates before 1st December 2015 should be exempt from wheelchair accessible obligations under Grandfather rights. This will allow the Council to monitor all new drivers/vehicles coming into the industry.</p>	<p>34.04% 16</p>
<p>Owners of Hackney Carriage vehicles that are subject to their plates being renewed should be allowed to choose the vehicle they wish to work with (i.e. car or wheelchair accessible vehicles) under Grandfather rights.</p>	<p>42.55% 20</p>
<p>The change of car ownership from Private Hire driver to a driver for a Hackney Carriage vehicle should be allowed after 1st September 2016. Once a driver has lost his entitlement to the Grandfather rights s/he will be classed as a new driver entering into the industry and subject to purchase a purpose built vehicle. Once the vehicle has finished its life span of 10 years the plate is subject to renewal to a wheelchair accessible vehicle.</p>	<p>12.77% 6</p>
<p>All Hackney Carriage plates purchased before 1st September 2016 will be allowed under Grandfather rights to purchase a vehicle of their choice, either a saloon car or wheelchair accessible vehicle.</p>	<p>40.43% 19</p>



**Additional comments from respondents for these choices:**

*“The proposed grandfather rights will scupper any attempt to increase the number of WAV - these provisions MUST be removed”.*

*“None of the above scenarios will deliver the required 35 percent of accessible hackney carriages. South Eastern Trains should be encouraged to allow vehicles without a Station Licence to have one if they are accessible All new vehicles coming in the fleet as Hackney Carriages should be accessible This would need to include vehicles being replaced due to age replacement after accident and replacement after sale of one car with another Unless this becomes policy the Council will never achieve their target as so called grandfather rights will not make anyone replace a non accessible vehicle with an accessible one”.*

*“The permit offer would encourage drivers to purchase a WAV and we feel this is a good way to do it. Another idea could be that any driver that doesn't have a permit could have a permit for a year for free or be able to purchase a permit. -The second choice would make sure that the required percentage is reached. However, this could discourage new drivers in to the area. -We feel that drivers should have the chance to choose which vehicle they use for work”.*

*“The best possible way of providing and funding a dynamic and 24 hour wheelchair service from the taxi trade is not from the drivers but from the companies that operate in the area. Any firm of more than five cars should include a wheelchair taxi in their fleet and maybe one in ten on larger fleets, this would result Beeline putting right now 5 wheelchair taxis on our the Sevenoaks ranks 24 hours a day. Also to conform with public transport interlocking for customers journeys I would hope Sevenoaks Council could pressure the Railway companies to prioritise new wheelchair taxis for station permits”.*

*“Since the station was remodelled there is a major problem for wheelchairs on the corner by the cash machines in that it is not wide enough to get a wheelchair safely around this corner on the pavement. The only alternative is to go on the road which brings into itself more hazards i.e. traffic, the incline and loosing control going down hill. The other alternative is to use the lift (if it's working) and then have to push your self up hill to get to the taxi stand, No mean feat given the incline.”*

*As you state their are only a few WAV's in Sevenoaks which I think can be overcome by getting new drivers to get WAV's or getting the firms to supply*

*one or two more eac; company vehicles (Beeline, Victor, Dave's Taxis) have all bought people carriers in recent years so why not WAV's, these are the first numbers dialled to pre-book cabs”.*

**7. Equalities Monitoring:**

Male: 40  
 Female: 4  
 Prefer not to say: 3

Number of respondents identifying as disabled: 3  
 No disability: 45

Age:

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<b>18 - 24</b>	<b>2.13%</b> <b>1</b>
<b>25 - 34</b>	<b>17.02%</b> <b>8</b>
<b>35 - 44</b>	<b>23.40%</b> <b>11</b>
<b>45 - 54</b>	<b>21.28%</b> <b>10</b>
<b>55 - 64</b>	<b>27.66%</b> <b>13</b>
<b>65+</b>	<b>6.38%</b> <b>3</b>
<b>Prefer not to say</b>	<b>2.13%</b> <b>1</b>

### Draft EqIA Template – for DECISIONS

This template should be completed alongside proposals that will be subject to decision by Councillors.

<b>Summary of decision to be made:</b>	Taxi and Private Hire Policy		
<b>Lead Officer (job title):</b>	Claire Perry, Licensing Partnership Manager		
<b>Date the final decision is due to be made:</b>	01/01/2016	<b>Date this assessment commenced:</b>	01/08/2015
<b>Is the decision relevant to the aims of the Public Sector Equality Duty?</b>			Yes
Eliminate discrimination, harassment and victimisation			Yes
Advance equality of opportunity			Yes
Foster good relations			Yes
If the answer is yes to any of the above, proceed with the assessment. If the answer is no, please say why and summarise any evidence:			
For each of the following characteristics, summarise any existing data, consultation activity, interpretation of the impacts and actions that can be taken to reduce or mitigate any negative impacts:			
<b>Characteristic:</b>	<b>Data and consultation</b>	<b>Summary of impact</b>	<b>Actions</b>
Disability	Consultation will be from 5 <sup>th</sup> October – 11 <sup>th</sup> December 2015	Sevenoaks District Council is seeking to increase the number of wheelchair accessible vehicles within the Hackney Carriage fleet.	WKEP Aim: <a href="#">Events and activities are open to all and raise awareness</a>
Carers	N/A		WKEP Aim: Choose an item.
Race	N/A		WKEP Aim: Choose an item.
Gender	N/A		WKEP Aim: Choose an item.
Age	Consultation will be from 5 <sup>th</sup> October – 11 <sup>th</sup> December 2015	Sevenoaks District Council recognises that a fleet of 100% vehicles will not suit all ages of the population which is why we seek to have a mixed fleet of vehicles.	WKEP Aim: <a href="#">Events and activities are open to all and raise awareness</a>
Religion / Belief	N/A		WKEP Aim: Choose an item.
Sexual Orientation	N/A		WKEP Aim: Choose an item.
Pregnancy / Maternity	N/A		WKEP Aim: Choose an item.
Marital or Civil Partnership Status	N/A		WKEP Aim: Choose an item.

**Draft EqIA Template – for DECISIONS**

Gender reassignment	N/A			
				WKEP Aim: Choose an item.
<b>Summary of impacts :</b> (to be included in committee reports)	Sevenoaks District Council is seeking to improve the number of wheelchair accessible vehicles within it's Hackney Carriage Fleet so that the Hackney Carriage vehicles are more accessible to all areas of the community. Consultation will take place a number of areas of the community including the trade and Sevenoaks District Access group.			
Please tick the outcome of this assessment:	No impact	Adjust the policy	Continue the policy	Stop and remove the policy
Date assessment will be reviewed:	05/01/2016			

**Item 7 (b) - Local Government (Miscellaneous Provisions) Act 1982:  
Licence Fees 2015/2016**

The attached report was considered by the Licensing Committee, relevant minute extract below:

Licensing Committee - 5 January 2016 (Minute 22)

Members considered a report which set out the new proposed fee structure which ensured that the licensing of Sexual Entertainment Venues maintained a 'self financing' position for the service, in accordance with the Council's Service and Budget Plan. A fees model, similar to the one used to first set the Gambling Act fees in 2007 had been used.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be **recommended to Full Council** to approve the appropriate fee levels as £3,100 for a new or renewal application, and £1,625 for transfer of an application.

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**LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1982: LICENCE FEES  
2015/2016**

**Council - 16 February 2016**

Report of Chief Officer Environmental and Operational Services

Status: For Decision

Also considered by: Licensing Committee - 5 January 2016

Key Decision: No

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**This report supports the Key Aim of Safe Communities to aid in the reduction of crime within the District.**

**Portfolio Holder** Cllr. Firth (Legal and Democratic Services)

**Contact Officer** Claire Perry Ext. 7325 / 07970 731616

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**Recommendation to the Licensing Committee:**

That Full Council is recommended to approve the appropriate fee levels as set out in paragraph 4.

**Recommendation to Council:**

That subject to the comments of the Licensing Committee, the fees set out in paragraph 4 are approved.

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**Reason for recommendation:** to ensure that the Council complies with its statutory duty and ensure that the licensing of Sexual Entertainment Venues is self financing, in accordance with the Council's Service and Budget Plan. A fees model, similar to the one used to first set the Gambling Act fees in 2007 was used.

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**Introduction and Background**

- 1 The fees have been calculated by examining the time it takes to carry out the various tasks in processing the application and who in the authority is likely to carry them out. The hourly rates of staff are fed in to a spread sheet (originally produced by LACORS to calculate the Gambling Act fees) to calculate costs for each type of activity.
- 2 The type of tasks involved in Sexual Entertainment Venue premises application include assistance to applicant, checking of an application upon receipt, processing the application, assess representations for relevance,

## Agenda Item 7b

undertake informal mediation, undertaking site visits where necessary. Once processed determining the licence or arranging a hearing and holding a hearing, notification of the decision, prepare and issue the licence, update the records/register, appeal preparation and holding an appeal hearing.

- 3 The costs associated with an appeal and hearings have been estimated and an estimation has been made as to the likelihood of these events occurring is entered into the final calculations. The risk of appeals and hearings occurring has been based on the experience of our partners within the Licensing Partnership.
- 4 The result of the calculations is that a fee of £3,100 is set for a new application or a renewal application. The experience of our partners is that as many representations are received for a new and renewal application. However, there is less likely to be a hearing for a transfer of an application and therefore this cost is set at £1,625. The existing fee is £3,000 for all licence types.

### **Other Options Considered and/or Rejected**

- 5 If the Licensing Committee were minded not to approve these fees the Council would not be able to meet the Council's Service and Budget Plan or ensure the licensing of Sexual Entertainment Venue premises was self-financing.

### **Key Implications**

#### Financial

- 6 The cost of licence fees takes into account the need to maintain a 'self financing' position for the service. The proposals contained in this report will achieve this. However, there are no Sexual Entertainment Venues within the District at the moment.

#### Legal Implications and Risk Assessment Statement.

Should parts of industry believe the authority's fees are at a level which is greater than the costs of the statutory functions then it would be open to them to undertake a judicial review proceeding. Should this arise, the authority would need to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

#### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.





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**Item 7 (c) - Gambling Act 2005: Licence Fees 2015/2016**

The attached report was considered by the Licensing Committee, relevant minute extract below:

Licensing Committee - 5 January 2016 (Minute 23)

Members considered a report which set out the new proposed fee structure which ensured that the licensing of Gambling premises maintained a 'self financing' position for the service, in accordance with the Council's Service and Budget Plan. A fees model, similar to the one used to first set the Gambling Act fees in 2007 was used.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be **recommended to full Council** to approve the appropriate fees from 1 April 2016 to 31 March 2017, as set out below

Premises Type	New Application £	Annual Fee £
Existing Casinos	n/a	n/a
New Small Casino	7700	4275
New Large Casino	8845	6900
Bingo Club	2190	770
Betting Premises (excluding Tracks)	2750	555
Tracks	1710	770
Family Entertainment Centres	1710	630
Adult Gaming Centre	1710	770
Temporary Use Notice	220	n/a

	Applicati on to Vary £	Applicati on to Transfer £	Applicati on for Re- Instatem ent £	Application for Provisional Statement £	Licence Application (provisional Statement holders) £	Copy Licence £	Notificatio n of Change £
Existing Casinos	n/a	n/a	n/a	n/a	n/a	n/a)	n/a)
New Small	3760	1620	1620	7760	2770	12	28

## Agenda Item 7c

Casino							
New Large Casino	4210	2060	2060	8870	4065	12	28
Bingo Club	1645	1200	400	2190	1200	12	28
Betting Premises (excluding tracks)	1500	1200	380	1690	1200	12	28
Tracks	1250	950	380	1670	950	12	28
Family Entertainment Centres	1000	950	385	1710	950	12	28
Adult Gaming Centre	1000	1200	385	1710	1200	12	28
Temporary Use Notice	n/a	n/a	n/a	n/a	n/a	12	28

**GAMBLING ACT 2005: LICENCE FEES 2015/2016**

**Council - 16 February 2016**

Report of Chief Officer Environmental and Operational Services

Status: For Decision

Also considered by: Licensing Committee - 5 January 2016

Key Decision: No

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**This report supports the Key Aim of Safe Communities to aid in the reduction of crime within the District.**

**Portfolio Holder** Cllr. Firth (Legal and Democratic Services)

**Contact Officer** Claire Perry Ext. 7325 / 07970 731616

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**Recommendation to the Licensing Committee:**

That Full Council is recommended to approve the appropriate fee levels as set out in Appendix A.

**Recommendation to Council:**

That subject to the comments of the Licensing Committee, the fees set out in Appendix A are approved.

---

**Reason for recommendation:** to ensure that the Council complies with its statutory duty and ensure that the licensing of Gambling premises is self financing, in accordance with the Council's Service and Budget Plan. A fees model, similar to the one used to first set the Gambling Act fees in 2007 was used.

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**Introduction and Background**

- 1 The Gambling Act 2005 Section 212 gives the Secretary of State power to make regulations prescribing the fees payable to the Licensing Authority. It also gives the power to devolve to Licensing Authorities in England and Wales the freedom to set fees for premises licence applications, subject to any constraints the Secretary of State may prescribe which includes a maximum fee level. The government has decided that for England and Wales, Licensing Authorities will determine their own fees for gambling premises licences but that the Secretary of State will prescribe the maximum fee payable for each category of licence.

## Agenda Item 7c

- 2 The maximum levels have been included in Appendix A in brackets for comparison purposes. The previous years fees are printed in italics for your information. Those cells that are shaded in the body of the table are where we have reached the maximum fee level that may be set.
- 3 There is an initial fee to cover the cost of application and an annual fee.
- 4 Licensing Authorities have been asked to set fees to ensure full cost recovery and that the fee levels represent fairness and value for money for the gambling industry. All Licensing Authorities must set their fees upon a cost recovery basis only and will be required to review their fee levels on an annual basis to ensure this.
- 5 Fees must be set for all types of premises licences and Temporary Use Notices (TUN's).

### Premises type

- Casinos
  - Bingo
  - Betting (off-course)
  - Tracks (on-course betting)
  - Adult Gaming Centres
  - Family Entertainment Centres
- 6 Fees must be set by each Licensing Authority for the following:
    - Application for a (new) premises licence
    - Application to vary a premises licence
    - Application to transfer the licence
    - Application for re-instatement of the premises licence
    - Application for a provisional statement
    - Application for a premises licence for a premises which already has a provisional statement
    - Fee to accompany a request for a copy of the premises licence
    - Fee to accompany a notification of change of circumstances (only relevant change is that of address)
    - Fee to accompany a temporary use notice

- 7 The District currently has seven betting premises that will be affected by the proposed fee increases. There are no other gambling premises currently operating in the District. The betting premises are:
- William Hill - Swanley
  - Betfred - Swanley
  - Ladbrokes - Swanley
  - Coral - Sevenoaks
  - Coral - Sevenoaks
  - Coral - Sevenoaks
  - Coral - Edenbridge
- 8 The fees have been calculated by examining the time it takes to carry out the various tasks in processing the application and who in the authority is likely to carry them out. The hourly rates of staff are fed in to a spread sheet (originally produced by LACORS to calculate the Gambling Act fees) to calculate costs for each type of activity.
- 6 The type of tasks involved in Gambling premises application include assistance to applicant, checking of an application upon receipt, processing the application, assess representations for relevance, undertake informal mediation, undertaking site visits where necessary. Once processed determining the licence or arranging a hearing and holding a hearing, notification of the decision, prepare and issue the licence, update the records/register, appeal preparation and holding an appeal hearing.
- 7 The costs associated with an appeal and hearings have been estimated and an estimation has been made as to the likelihood of these events occurring is entered into the final calculations. The risk of appeals and hearings occurring has been based on the experience of our partners within the Licensing Partnership.
- 8 The result of the calculations is set out in Appendix A of the report. There are three figures for each licence type/fee. The figure in bold font is the new proposed fee, the figure in brackets is the maximum fee set by the legislation and the figure in italics is the existing fee. Those cells that are shaded in the body of the table are where we have reached the maximum level of fee that can be set.

#### **Other Options Considered and/or Rejected**

- 9 If the Licensing Committee were minded not to approve these fees the Council would not be able to meet the Council's Service and Budget Plan or ensure the licensing of Gambling premises was self-financing.

### Key Implications

#### Financial

- 6 The cost of licence fees takes into account the need to maintain a 'self financing' position for the service. The proposals contained in this report will achieve this. The current number of premises that will be subject to Gambling Act 2005 fees is seven betting shops, whose annual fees will generate £3,885.

#### Legal Implications and Risk Assessment Statement.

Should parts of industry believe the authority's fees are at a level which is greater than the costs of the statutory functions then it would be open to them to undertake a judicial review proceeding. Should this arise, the authority would need to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

#### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices None

Background Papers: None

**Mr Richard Wilson**  
**Chief Officer Environmental and Operational Services**



SEVENOAKS DISTRICT COUNCIL'S  
GAMBLING ACT 2005 - FEES  
1 April 2016 - 31 March 2017

Premises Type	New Application			Annual Fee		
	£			£		
Existing Casinos	n/a			n/a		
New Small Casino	7700	(8,000)	7510	4275	(5000)	4170
New Large Casino	8845	(10,000)	8630	6900	(10000)	6730
Bingo Club	2190	(3500)	2750	770	(1000)	770
Betting Premises (excluding Tracks)	2750	(3000)	2660	555	(600)	540
Tracks	1710	(2500)	1670	770	(1000)	770
Family Entertainment Centres	1710	(2000)	1670	630	(750)	630
Adult Gaming Centre	1710	(2000)	1670	770	(750)	770
Temporary Use Notice	220	(500)	220	N/A		

	Application to Vary	Application to Transfer	Application for Re-Instatement	Application for Provisional Statement	Licence Application (provisional Statement holders)	Copy Licence	Notification of Change
	£	£	£	£	£	£	£
Existing Casinos	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Small Casino	3760 (4000) 3570	1620 (1800) 1580	1620 (1800) 1580	7760 (8000) 7570	2770 (3000) 2700	12 (25) 11	28 (50) 27
New Large Casino	4210 (5000) 4100	2060 (2150) 2010	2060 (2150) 2010	8870 (10000) 8655	4065 (5000) 3965	12 (25) 11	28 (50) 27
Bingo Club	1645 (1750) 1605	1200 (1200) 1200	400 (1200) 1200	2190 (3500) 2825	1200 (1200) 1200	12 (25) 11	28 (50) 27
Betting Premises (excluding tracks)	1500 (1500) 1480	1200 (1200) 1200	380 (1200) 1200	1690 (3000) 1590	1200 (1200) 1200	12 (25) 11	28 (50) 27
Tracks	1250 (1250) 1250	950 (950) 950	380 (950) 950	1670 (2500) 1940	950 (950) 950	12 (25) 11	28 (50) 27
Family Entertainment Centres	1000 (1000) 1000	950 (950) 950	385 (950) 950	1710 (2000) 1635	950 (950) 950	12 (25) 11	28 (50) 27
Adult Gaming Centre	1000 (1000) 1000	1200 (1200) 1200	385 (1200) 1200	1710 (2000) 1670	1200 (1200) 1200	12 (25) 11	28 (50) 27

SEVENOAKS DISTRICT COUNCIL'S  
 GAMBLING ACT 2005 - FEES  
 1 April 2016 - 31 March 2017

Temporary Use Notice	n/a	n/a	n/a	n/a	n/a	<b>12</b> (25) <i>11</i>	<b>28</b> (50) <i>27</i>
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The proposed new fees as shown in bold type in the table above. For ease of reference the maximum fees identified by DCMS that could be charged are shown in brackets and last year's fees are in italics. Those cells that are shaded in the body of the table are where we have reached the maximum level of fee that can be set.

**Item 7 (d) - Monitoring Officer's Annual Report**

The attached report was considered by the Standards Committee on 9 February 2016 and therefore the relevant minute extract was not available prior to publication of these papers.

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## MONITORING OFFICER'S ANNUAL REPORT

Council - 16 February 2016

Report of Monitoring Officer

Status: For consideration

Also considered by: Standards Committee - 9 February 2016

Key Decision: No

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**This report supports the Key Aim of effective management of Council resources.**

**Contact Officer(s)** Mrs Christine Nuttall - Chief Officer Legal and Governance

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**Recommendation to the Standards Committee:** That the Monitoring Officer's Annual Report be noted.

**Recommendation to Full Council:** That the Monitoring Officer's Annual Report be noted.

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**Reason for recommendation:** This report sets out the work of the Monitoring Officer, Standards Committee and other governance arrangements monitored by other committees within the Council thus providing Members and the public with valuable information which should promote Member and Public confidence in the high ethical standards set by the Council.

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### Introduction and Background

- 1 This is the eleventh Annual Report of the Monitoring Officer as attached as an Appendix to this report.
- 2 The purpose of the Monitoring Officer's Report is to provide an overview of the work of the Monitoring Officer, the work of the Standards Committee and the general governance arrangements within the Council in the past year and to provide an opportunity to review and learn from experience.
- 3 The information contained within this Report will also provide Members of the Standards Committee, with an overview of the workings of the Council thus providing them with valuable information to facilitate the carrying out of their functions.

### Substance of Report

- 4 The Monitoring Officer's Report sets out the Monitoring Officer's statutory responsibilities, summarises how these duties have been discharged during

## Agenda Item 7d

2015 in accordance with the Council's Constitution, legislative requirements and draws attention to those issues that will require attention in the next calendar year.

### **Key Implications**

#### Financial

- 5 The Monitoring Officer's Report has not identified any financial implications for this Council over and above normal requirements.

#### Legal Implications and Risk Assessment Statement.

- 6 The Monitoring Officer's Report has not uncovered any illegality.

#### Equality Assessment

- 7 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **Conclusions**

- 8 The Monitoring Officer's report sets out the elements of good governance and demonstrates that robust procedures are in place to raise ethical standards, identify problems and ensure that Members, Officers and the Public are aware of appropriate channels to raise concerns.

### **Appendices**

Appendix - Monitoring Officer's Report

### **Background Papers:**

None

**Mrs Christine Nuttall**  
**Chief Officer for Legal and Governance**

**REPORT OF THE  
MONITORING OFFICER  
2015**

**Introduction**

This is the eleventh Annual Report of the Monitoring Officer for the period January 2015 to December 2015. The purpose of the report is not only to provide an overview of the work of the Monitoring Officer in the past year, but also to provide an opportunity to review and learn from experience. This report therefore sets out the Monitoring Officer’s statutory responsibilities and summarises how these duties have been discharged from the last Monitoring Officer’s Report for the period January 2014 to December 2014. The Report also highlights the work of the Standards Committee.

**1. Recommendations**

That the Standards Committee comments on and notes the Monitoring Officer’s Annual Report.

That the Full Council notes the Monitoring Officer’s Annual Report.

**2. The Role of the Monitoring Officer**

The role of the Monitoring Officer derives from the Local Government and Housing Act 1989. The Act requires local authorities to appoint a Monitoring Officer.

The Monitoring Officer has a broad role in ensuring the lawfulness and fairness of Council decision making, ensuring compliance with Codes and Protocols and promoting good governance and high ethical standards.

A Summary of the Monitoring Officer’s Functions is as follows:

<u>Description</u>	<u>Source</u>
Report on contraventions or likely contraventions of any enactment or rule of law	Local Government and Housing Act 1989
Report on any maladministration or injustice where the Ombudsman has carried out an investigation	Local Government and Housing Act 1989
Appoint a Deputy	Local Government and Housing Act 1989
Establish and maintain the Register of Members’ interests.	The Localism Act 2011 (Commencement No. 6 and Transitional, Savings and Transitory Provisions) Order 2012 The Localism Act 2011 The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
Report on sufficiency of resources.	Local Government and Housing Act 1989



<u>Description</u>	<u>Source</u>
Maintain the Constitution	The Constitution
Promote and maintain high standards of conduct.	The Localism Act 2011
Grant Dispensations	The Localism Act 2011 and delegation from Council
Consulting with, supporting and advising the Head of Paid Service and s.151 Officer on issues of lawfulness and probity.	The Constitution
Appointing an Investigating Officer in relation to Member Complaints	The Localism Act 2011 and the Constitution
Advising the Standards Hearings Sub Committee in relation to allegations of breaches of the Code of Conduct and advising when matters are determined following an investigation	The Localism Act 2011 and the Constitution
Advise on whether executive decisions are within the Budget & Policy Framework.	The Constitution
Provide advice on vires issues, maladministration, financial impropriety, probity, Budget and Policy Framework issues to all members.	The Constitution and s.5 of Local Government and Housing Act 1989
Legal Advice and Support to the authority	The Constitution
Considering whether certain Information is exempt from disclosure under the Freedom of Information Act.	Freedom of Information Act 2000

### 3. The Constitution

The Constitution sets out how the Council operates and how decisions are made. It sets out the procedures which are followed to ensure that these decisions are efficient, transparent and that those who make the decisions are accountable to local people. The Monitoring Officer is responsible for ensuring that the Constitution operates efficiently, is properly maintained and is adhered to.

#### 3.1 Constitutional Review and Revision

This Council continues to update its Constitution as and when necessary and reports to the Governance Committee of the Council in this respect.

On the 23<sup>rd</sup> April 2013 Council approved a proposed new governance structure following Members concerns with the previous structure in the following areas:

Perception of remoteness/inaccessibility of portfolios; feeling of disengagement from influence and decision-making; lack of training and development (succession planning for future Cabinet members); and the need to streamline the system to match the resource available.

The approval was subject to detailed mechanisms being brought back to the Annual Council in May 2013 to enable implementation of the structure with a review of the new governance arrangements being undertaken and reported back to Full Council by April 2014. In addition, options requiring more detailed consideration, such as the Committee System or a Hybrid Model requiring Secretary of State approval, were to be investigated during the next municipal year. The new governance structure was accordingly approved at Annual Council on the 14<sup>th</sup> May 2013.

The Governance Committee reviewed the new governance structure in 2014 with two Member Surveys being carried out during the year. The first survey had a response rate of 55% and the second 69%. The results from the surveys provided a range of information which helped with the review of the effectiveness of the new arrangements. Changes resulted whereby Membership of the Scrutiny Committee is now fixed with Members of the Committee being independent of the Cabinet Advisory Committees. Membership of the Advisory Committees increased to 12 Members and Members are now able to sit on more than 1 Cabinet Advisory Committee which facilitates greater Member involvement. The new Structure is now embedded and working well and promoted in a national publication entitled "Rethinking governance" produced by the Local Government Association.

Investigation into future Governance arrangements in general is taking place, to allow the newly elected administration in 2015 to consider future governance with further research planned to take place via the Governance Committee for reporting to Annual Council in 2016.

#### 3.2 Fitness for Purpose

The Constitution sets out in clear terms how the Council operates and how decisions are made. Some of these processes are required by law, while others are a matter for the Council to choose. The purpose of the Constitution is to:

- ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions;
- support the active involvement of local people in local authority decision making;
- help Members represent local people more effectively;

- enable decisions to be taken efficiently and effectively; and
- hold decision makers to public account.

### 3.3 Managing the Constitution

Any significant changes to the Council's decision making arrangements and Committee structure need to be approved by full Council. The Council will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect. The Governance Committee ensures that this takes place.

## 4. Lawfulness and Maladministration

The Monitoring Officer is the Council's lead adviser on issues of lawfulness and the Council's powers and in consultation with the Head of Paid Service and the Chief Finance Officer (s.151 Officer), advises on compliance with the Budget and Policy Framework. Part of this role involves monitoring Committee reports, agendas and decisions to ensure compliance with legislation and the Constitution. The Monitoring Officer ensures that agendas, reports and minutes of all Council meetings are made publicly available unless there is a reason for exemption under the Local Government Act 1972. In addition, Portfolio Holder decisions are also made publicly available subject to the same caveat as are all planning and licensing decisions made by Officers including other Officer delegated decisions as required by the new legislation entitled "The Openness of Local Government Bodies Regulations 2014". All such decisions can be viewed by members of the public through the Council's website: [www.sevenoaks.gov.uk](http://www.sevenoaks.gov.uk).

If the Monitoring Officer considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration she must report to the full Council or where appropriate the Cabinet after first consulting with the Head of Paid Service and the Chief Finance Officer (s.151 Officer). Any proposal or decision that is subject to such a report cannot be implemented until the report has been considered.

The sound governance arrangements operated by the Council ensure that the power to report potentially unlawful decision making is rarely used and the Monitoring Officer has not had to issue such a report throughout 2015.

### 4.1 Reports from the Local Government Ombudsman

In 2014/15 the annual letter from the Local Government Ombudsman reported 18 complaints and enquiries received.

Four complaints related to benefits & tax, two related to corporate & other services, one environmental services & public protection, one for housing and ten for Planning & Development.

Of these complaints the following decisions were made by the Local Government Ombudsman:

Two were closed after initial enquiries. Six were referred back for local resolution. Two were incomplete/invalid. Four were not upheld and one was upheld.

It is worth noting that some customers are signposted back to the Council but may never contact us, hence the discrepancy in the number of complaints received by the Local Government Ombudsman compared to the decisions made.

It should be further noted that in relation to the one complaint that was upheld this was because there had been delay in agreeing a Disabled Facilities Grant. There were reasons for the delay. The matter was resolved by a meeting of all the parties to try and identify any barriers to starting the work and to agree solutions. Progress has now been taken in meeting the complainant's needs.

No compensation payments have been made during 2014/15 and no complaints have resulted in maladministration.

#### **5. Report of the Chief Surveillance Commissioner**

On the 19<sup>th</sup> June 2013 the Council was inspected by the Office of the Surveillance Commissioner (OSC). These inspections are carried out on a 3 yearly basis with the next inspection due to take place in June 2016

The Regulations of Investigatory Powers Act 2000 (RIPA) introduced a statutory framework for those carrying out surveillance as part of an investigation. The Protection of Freedoms Act 2012 (2012 Act) amended RIPA to provide additional controls. The internal authorisation process is now followed by external authorisation from a Justice of the Peace.

In practice the District Council seeks to carry out surveillance activity by overt means whereby it is not necessary to engage the provisions of RIPA.

On the 10<sup>th</sup> September 2013 the Audit Committee considered a report recommending the adoption of a revised surveillance policy and the approval of reporting arrangements to Elected Members following the Commissioner's inspection.

Training on RIPA for officers of this Council took place on the 11<sup>th</sup> November 2013 with an emphasis on allowing delegates to do their job whilst respecting the law. Delegates worked through a number of real life case studies and exercises in order to discuss issues that commonly arise.

Council on the 1<sup>st</sup> October 2013 noted the Chief Surveillance Commissioner's report and adopted a revised Surveillance Policy. During 2015 there has been no instance of covert monitoring requiring the need for a RIPA authorisation.

#### **6. Good Governance**

The Monitoring Officer has a pro-active role in promoting good practice, good procedures and good governance. This involves networking, collaboration and joined-up working practices and decision making as well as ensuring standing orders, codes of practice, procedures are kept under review and up to date.

### Appendix

Collaborative working entails regular weekly meetings with the Chief Executive, the Chief Finance Officer (s.151 officer), Chief Officers/Senior Management Team as well as working in partnership with other departments to develop and disseminate policies and procedures. There is also the work undertaken in partnership with other authorities.

On the last day of 2015 the Council stepped up its efforts to bring further economic growth to the District by establishing a Trading Company wholly owned by the Council so as to exercise the power to trade contained in the Local Government Act 2003 and the Localism Act 2011. The establishment of the Company builds on the direction of travel set out in the Corporate Plan for the Council to move towards a more financially self sufficient position.

In 2015 the Council has invested in income earning assets including a petrol station and supermarket in Swanley and officer accommodation in Sevenoaks Town. The Council has continued through the planning process to lay the foundations for continued employment use of the Fort Halstead site in preparation for the departure of DSTC.

The Council has acquired land adjacent to its existing land holdings in Swanley and has started to develop a master plan for the regeneration of the Town Centre.

During the year the Council has run many business support and networking events for local businesses and these have been very well attended. In addition, the Council has consulted on and approved a new Economic Development Strategy which set out a strategic direction for business growth, skills and jobs for the future.

New anti-social behaviour legislation has now been introduced which provides tools to enable us to deal with anti-social behaviour. Working with our community safety partners we have continued to see low levels of crime.

The Council has been taking part in the new Health and Wellbeing Boards designed to focus on local needs and increase input from democratically elected Members. The Council continues to work with our partner organisations and our Leisure Centres to improve the health and well being of our residents.

Our voluntary sector continues to make an important contribution to the lives of the most vulnerable people in our communities. The District Council has maintained its grant funding for local voluntary activity and in 2015 it introduced a New Community Awards Scheme to honour volunteers who have made outstanding contributions to their communities.

#### **7. The Ethical Framework and Work of the Standards Committee**

The New Standards Committee which was introduced on the 24<sup>th</sup> July 2012 comprises 7 Members in accordance with the political balance rules.

The new rules allow for the appointment of Independent Persons who have a statutory role under the Localism Act 2011 to assist any Member who has been accused of breaching the Code of Conduct. Sevenoaks District Council has

appointed two Independent Persons who are not Members of the Standards Committee although they are given details of the Committee's meeting date in order that they may attend.

The Independent Persons also assist the Monitoring Officer in considering complaints and will also be consulted by the Monitoring Officer following investigations to help decide what action to take.

The Standards Committee has a key role in facilitating and promoting the Ethical Framework and in promoting and maintaining high standards of conduct within the Authority. The terms of reference of the committee are set out within Part 3 of the Constitution entitled "Standards Committee".

Examples of the Standards Committee's work during 2015 are as follows:

- Receive the Annual Monitoring Officer's Report
- Looking at How Disclosable Pecuniary Interests are Interpreted
- Being on Standby to grant Dispensations in relation to Member Interests
- Being on Standby to carry out a Hearing following an investigation into an alleged breach of the Member's Code of Conduct

#### 7.1 Maintaining a Register of Member Interests

The codes of conduct of relevant authorities must include provision for the registration and disclosure of "disclosable pecuniary interests", as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. Members with disclosable pecuniary interests in the business of their authorities are prohibited from participating in such business unless they have a dispensation. The Localism Act 2011 has introduced criminal offences relating to failure to register disclosable pecuniary interests. Members convicted of such offences are liable to a scale 5 fine and may also be disqualified from being a councillor for up to five years.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. Members at this Council through training have been made aware that even if a Member's interest does not amount to a disclosable pecuniary interest, if their interest in a matter would lead them to predetermine a decision, it would not be appropriate for that member to participate in the decision, If they did so the decision could be vulnerable to challenge.

The prohibitions on councillors participating in any discussion or vote on an item of Council business in which they have a disclosable pecuniary interest ensures that Councillors cannot put their private financial interests before the public interest. However, where a Councillor has a disclosable pecuniary interest but stand to make no personal financial gain by participating in a discussion or vote on Council business related to that interest, they can apply for a dispensation, under section

33 of the Localism Act 2011. The grounds for granting a dispensation will depend on the circumstances.

## 8. Code of Conduct for Employees

The Code is based on an original draft published by the IDeA and has been updated since being implemented in 2006. The Code forms part of the employers' terms and conditions of employment. The Code is well publicised on the Council's internal intranet and is introduced to employees through the induction process.

Under the Code employees must declare any non-financial or financial interests that they or members of their family have which they consider could conflict with the Council's interests. Chief Officers and the Chief Executive declarations of non-financial or financial interests are declared to the Monitoring Officer.

All relationships of a business or private nature with external contractors, or potential contractors should be made known to the employees' Managers and Chief Officers. All hospitality received and given should be appropriate, necessary and must, wherever possible, have the prior sanction of the relevant Chief Officer and must be recorded in the Hospitality book kept by the Chief Executive's Secretary. There is a Protocol on Corruption, Gifts and Hospitality contained within the Staff Code of Conduct.

## 9. Whistle Blowing

Sevenoaks Council is committed to having effective whistleblowing arrangements, in order to safeguard individuals who have genuine cause for raising concerns in the work place and to promote good governance and safeguard the public interest. The Council's Whistle Blowing Policy sets out how to raise concerns within the organisation and is designed to give statutory protection to employees who "blow the whistle" on their employer's malpractice. In addition, the Council aims to mitigate the risk of inappropriate behaviour by those undertaking work on behalf of the Council and the Council refers to this Policy in contracts with suppliers and service providers, in the Procurement Guide and in its partnership arrangements.

The Council takes seriously and will investigate all reports of improper activities. The Policy aims to ensure that when concerns are raised, the Council will address the concerns and protect the person raising the concern.

The Council is committed to the highest possible standards of openness, probity and accountability and in line with this commitment the Council reviewed and updated its Whistleblowing Policy in January 2015 to incorporate the requirements of the new Statutory Code of Practice recommended by the Whistleblowing Commission. It is recommended that the new Whistleblowing Policy will be subject to annual review by the Audit Committee with the review taking into consideration the views of users of the Policy and any relevant professional or regulatory changes. To this effect, the policy will be reviewed by the Audit Committee during the 2016 calendar year.

The new Code of Practice makes whistleblowing more effective within organisations and provides practical guidance to employers, workers and their

representatives and sets out recommendations for raising, handling, training and reviewing whistleblowing in the work place.

In the last calendar year no concerns have been raised under the Council's current Whistle Blowing Policy.

### 10. Human Resources

Human resources plays a vital role in developing the organisation through the development of its people and in planning and delivering the changes required by the Council.

Human resources adds value to the organisation by ensuring that we take account of, and plan for, future changes in the wider environment which are likely to have a major impact. It is recognised that both Members and Officers are integral to achieving these aims, through working together in an open, honest and co-operative way.

All the Council's Human Resources policies are available on "Insite" or direct from the Human Resources Team on request and new employees to the organisation are made aware of the numerous policies that exist.

### 11. New Standards

The Localism Act 2011 and subordinate legislation made extensive changes to the Standards regime which had previously applied under the Local Government Act 2000 and subordinate legislation. The changes are to achieve high standards of conduct and to put in place an appropriate regime.

Under the new regime Councils have been obliged to adopt a Code of Conduct for their Members and Co-opted Members as part of their duty to promote and maintain high standards of conduct. These include provisions relating to the registration and disclosure of interests although, unlike the arrangements under the previous legislation, authorities were no longer required to adopt codes based on a national model. However, most authorities have chosen to adopt codes which reflect models suggested by various recognised organisations. Sevenoaks District Council chose the text published by the Department for Communities and Local Government (DCLG).

Town and Parish Councils will have adopted their own Codes although they must be based on the seven Nolan principles laid down in the Localism Act 2011. The District Council encouraged Town and Parishes to adopt the Sevenoaks District Council Code, although it is known that some have adopted the National Association of Local Council's model.

Councils in England are no longer required to have the statutory Standards committee which was established under the provisions of the Local Government Act 2000 and the Standards Committee (England) Regulations 2008. However, the majority of Councils did choose to retain such a committee including Sevenoaks District Council. The new standards committee is an ordinary committee of the



council which means that it is politically balanced and subject to the usual requirements relating to access to information.

Under the Localism Act 2011 authorities are not obliged to include provisions in their arrangements for members to be able to appeal against findings that they have breached the code of conduct of their authorities. This Council decided not to include appeal provisions in their arrangements although for procedural irregularity a complaint can always be made to the Ombudsman.

The Localism Act 2011 makes no provision for sanctions against Members who are found to have breached the codes of conduct of their authorities. However, authorities are able to censure members, to publicise breaches of their codes of conduct, to report to their Councils and to recommend that members are removed from positions on committees and outside bodies. This Council decided to include provisions for the Monitoring Officer to be instructed to arrange training for the Member and/or conciliation, if appropriate, which is a useful practical measure for improving member conduct.

### 11.1 Complaints against Members

The current Standard Regime, set up under the Localism Act 2011, was implemented by this Council in July 2012.

Allegations of Member Misconduct received under this regime, up to December 2012, numbered 15. All of these related to Parish/Town Council Members and no complaints related to District Council Members. 11 of these complaints related to one Parish Council. None of these complaints went to formal investigation.

Three complaints were received between January and December 2013. Two of these related to Parish/Town Council Members and one to a District Councillor. None of the complaints went to formal investigation. One of the Parish/Town Council complaints was subject to Informal Resolution with the help of the Independent Person.

Six complaints were received between January and December 2014. All of these related to Parish/Town Council Members. Two of these complaints were subsequently withdrawn as they would not have met the Initial Intake Test. None of the other four complaints went to formal investigation. One of the complaints was subject to attempted Informal Resolution.

Six complaints have been received between January and December 2015

	Subject Member	Complainant	Received	Assessed	Result
15/01	Parish/Town	Member of the Public	January 15	February 15	No Further Action
15/02	Parish/Town	Member of the	July 15	August 15	No Further

		Public			Action
15/03	District Council	Member of the Public	July 15	August 15	No Further Action
15/04	Parish/Town	Member of the Public	August 15	October 15	No Further Action
15/05	Parish/Town	Member of the Public	November 15	Withdrawn	
15/06	Parish/Town	Member of the Public	December 15	Awaiting Assessment	No Further Action

The first complaint in the table above related really to a service issue; the second complaint related to a member who, at the time, was acting in a private capacity - it did not relate to the Parish Council as such.

The third and fourth complaints both related to a particular planning application and related to Parish Council procedures and finances which do not fall within the remit of the District Council. On this basis the complaint did not pass the Initial Intake Test and was subsequently withdrawn.

The sixth complaint is, was considered not to be a breach of the Code of Conduct.

Given that May 2015 saw both District Council and Town and Parish Council elections it was expected that the number of complaints would increase prior to the election. Clearly this did not happen and there were no major issues raised during the year. There are no lessons to be learnt from operating the procedures this year requiring amendment to any of our procedures. It did prove extremely useful to have the Independent Person involved in mediation/conciliation work and I must thank the Independent Persons for all their hard work through the year.

**12. Equalities and the Public Sector Equality Duty under the Equality Act 2010**

As a community leader, service provider and employer Sevenoaks District Council recognises that everyone has a contribution to make to our society and a right to access services without being discriminated against or disadvantaged.

Sevenoaks District Council is part of the West Kent Equality Partnership which also includes Tonbridge & Malling Borough Council and Tunbridge Wells Borough Council.

The Partnership sets out its aims and commitments for 2012-16 and reviews its progress against its aims and commitments. An annual report for Sevenoaks District Council was considered by the Legal & Democratic Services Advisory Committee on 2 July 2015 and can be accessed via the following link <http://cds.sevenoaks.gov.uk/ieListDocuments.aspx?CId=325&MId=1970&Ver=4>

The Council has reviewed its aims and commitments for the period commencing 1 April 2016. To inform this review, at the request of the Portfolio Holder for Legal & Democratic Services, a Members Workshop took place on 26 January 2016. The findings of which will be incorporated in a report to Cabinet at their March meeting.

### **13. Support to Councillors, Cabinet, Scrutiny and Committee Meetings**

The distribution and publication of committee reports, agendas and decisions is central to meeting the requirements of a key deliverable. It is the Monitoring Officer's responsibility to oversee the process and ensure that these documents comply with statutory and constitutional requirements.

This includes:

- Distributing and publishing all agendas within five clear working days of the meeting taking place and ensuring that all agendas are compliant with the access to information rules and exempt information is marked up accordingly.
- Advertising public meetings five clear days before the meeting date.
- Ensuring that papers are made available to the public.
- Drafting minutes for publication within nine working days.
- Publishing a record of all decisions including key decisions taken by Cabinet within 48 hours (2 working days) of the meeting.
- Ensuring that petitions are handled in accordance with the Council's Constitution including e-petitioning.
- Ensuring that meetings are accessible.
- Complying with the requirements of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.
- The Openness of Local Government Bodies Regulations 2014.

#### **13.1 Statutory Meeting Analysis**

One of the explicit aims of the Council has been to try and streamline the decision making process to allow Council to focus on service delivery.

The size of the Cabinet increased by two Members in May 2015, and therefore there were two additional Advisory Committees and some name changes. There were also some scheduled meetings cancelled.

Between the 1<sup>st</sup> January 2015 and 31<sup>st</sup> December 2015 the following were serviced:

## Agenda Item 7d

### Appendix

Full Council Meetings (including 1 annual meeting)	5
Cabinet	11
Audit Committee	4
Development Control Committee	16
Economic & Community Development Advisory Committee	4
Finance & Resources Advisory Committee (January - May)	2
Finance Advisory Committee (May - December)	3
Governance Committee	3
Health Liaison Board	5
Housing & Community Safety Advisory Committee (January - May)	2
Housing & Health Advisory Committee (May December)	3
Licensing Committee	4
Licensing Sub Committee Hearings	7
Local Planning & Environmental Advisory Committee (January - May)	2
Planning Advisory Committee	2
Scrutiny Committee	3
Sevenoaks Joint Transportation Board	4
Standards Committee	1

Strategy & Performance Advisory Committee	1
Policy & Performance Advisory Committee (May to December)	3
Direct & Trading Advisory Committee (May to December)	2
Legal & Democratic Services Advisory Committee (May to December)	2

As yet the CIL Board has not met.

The volume of meetings represents a substantial commitment of both Councillors' and Officers' time and resources. It is of great importance that meetings constitute an effective use of time and resources; that they add value to corporate effectiveness and help in meeting the aims and objectives of the Constitution and the Community Plan and Corporate Plan.

### 13.2 Notice of Key Decisions which replaces the Forward Plan

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 replaced the 2000 Executive Access to Information Regulations. The new regulations only apply to executive decisions. Previously there was a requirement to publish a rolling forward plan at least 14 days before the start of each month that set out details of all the key decisions which the authority anticipated making within the next four months. This has now been replaced by a requirement to publish a 28 clear days' notice of any intended key decision. This notice is available for inspection and is also published on the authority's website. If an urgent decision is required and it is impracticable to give the full notice, the key decision can still be taken if the authority gives at least five days' clear notice to the Scrutiny Committee of the authority which can then call in the decision to check that it was genuinely urgent. Where a key decision is so urgent there is not even time to give five clear days' notice, the authority can still take the decision if the Chairman of the Scrutiny Committee has agreed that the key decision is urgent and cannot reasonably be deferred.

This new requirement is being observed by the authority and by publishing the Notice of Key Decisions the public will be able to find out the expected timing of key decisions.

### 13.3 Call-In requests

There were no call-in requests within 2015.

### 13.4 Scrutiny Function

The Council is required by Law to discharge certain scrutiny functions. These

functions are an essential component of local democracy. A Scrutiny Committee is a powerful committee which principally holds the Executive to account for its decisions. Policy development used to take place within the Select Committees and this now takes place within the Cabinet Advisory Committees, this being part of the changes made by the Governance restructure which introduced the Hybrid Model of Governance which was further extended in 2015 to include two additional Cabinet Advisory Committees.

### 14. The Transparency Code

The Council has been under a duty to publish a range of data under the Local Government Transparency Code and associated Regulations since 2014.

It is the Government's stated desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. The Code has been issued to meet this desire. The Government has set out that "Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets".

The Government published a revised and updated Code in 2015 and the Council remains committed to carrying forward the enhanced requirements of the new Transparency Code. The development of a new Council website in 2016 is aimed to provide improved access to Council information, including data sets required to be published by Government.

### 15. The Recording of Council Meetings

In March 2014 the Governance Committee of this Council considered a report recommending to Full Council that their meetings be recorded on a trial basis and if successful Full Council would ratify the roll out of recording all meetings of Full Council, Development Control Committee and Licensing Hearings. Following the successful recording of Full Council, as a pilot study, Full Council approved the earlier recommendation in November 2014. This approval coincided with the new Openness of Local Government Bodies Regulations 2014 allowing people the right to film, blog, tweet or use any other type of social media to report any public meetings of their local government bodies, including, committees, sub-committees and joint committees. In order to facilitate the public's new powers a Protocol on Recording Meetings was approved by Council to make sure that recording especially filming takes place safely and without obstructions to the meeting. Council also gave Officers the discretion with the Chairman's approval to record such other public meetings of Council, the Cabinet and their committees, sub-committees or joint committees as was seen fit.

The recording of meetings has gone well in 2015 and no problems have arisen in relation to the extended powers given to the public under the Openness of Local Government Bodies Regulations 2014.

## **16. Member Training and Development**

The Council delivered a comprehensive Induction for Members' following the 2015 Elections. Held on Monday 11 May, the first day after the completion of the election count Members were able to attend either a day time or evening induction session.

Members were provided with their own Members Handbook which provides a range of information about local government, Council services and officers that Members are able to contact for help and advice. The Handbook also provides advice and guidance on safeguarding and the use of social media. A Senior Officer Support scheme was provided for the very first time for new Councillors. This provided them with a dedicated contact for the first six months of their term to assist them with any queries they may have.

The Induction day, ensured that Members were able to complete their Acceptance of Office and record any interests they may have, with officers available throughout to assist and advise. A presentation from the Council's Strategic Management Team provided Members with information about the Council, its financial position, its achievements and objectives and challenges for the future. There was also an introduction to the District which was complemented by a Members' Tour of District which was held in October 2015.

To support Members gain further knowledge about Council services each of the first meetings of the Council's Advisory Committee meetings in 2015 had a presentation from Officers on the services that were in the Committee's responsibilities. In some cases there has been further information sessions on specific topics, for example risk management.

On the 8<sup>th</sup> September 2015 two training sessions on the Code of Conduct was delivered to both District Council Members and Parish/Town Council Clerks. Both sessions were well attended with over 70 persons receiving the training which covered the following areas:

- What does the law say and why is it important?
- What are Sevenoaks' local arrangements?
- Sevenoaks' Code - behaviours.
- Registering and declaring interests.

## **17. Conclusion**

The Monitoring Officer's role in conjunction with the Standards Committee encompasses both proactive and reactive elements. The proactive role centres on raising standards, encouraging ethical behaviour, increasing awareness and utilisation of the elements of good governance and ensuring that robust procedures are in place.

The reactive role focuses on taking appropriate action to deal with issues and potential problems as they arise. The Monitoring Officer together with the

Standards Committee's effectiveness in this role is in turn dependent on effective systems and procedures being in place to identify problems and ensure that Members, Officers and Public are aware of appropriate channels to raise concerns.

Christine Nuttall  
Monitoring Officer



## PAY POLICY STATEMENT

**Council - 16 February 2016**

Report of                      Chief Executive

Status:                         For Decision

Key Decision:                No

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**This report supports the Council promise to provide value for money**

**Portfolio Holder**        Cllr. Fleming

**Contact Officer**        Lee Banks (Ext. 7161)

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### **Recommendation to Council:**

The Pay Policy Statement be adopted by the Council and published on the Council's website.

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**Reason for recommendation:** To fulfil the Council's statutory requirements under the Localism Act 2011 to agree a Pay Policy Statement for the forthcoming year and to ensure it is accessible to the public.

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### **Introduction and Background**

- 1        Gaining its Royal Assent in November 2011 the Localism Act introduced, amongst a range of other duties, a requirement for local authorities to publish a Pay Policy Statement by 31 March each year. The Council's first Pay Policy Statement was approved by Council in February 2012.
- 2        Pay Policy Statements require local authorities to be more accountable and transparent about their policies on senior officer pay and delivers on a Coalition Agreement commitment to strengthen councillors' powers on salary packages for council officers.
- 3        Nothing in the pay accountability provisions supersede existing responsibilities and duties placed on local authorities in their role as employers. Government recognise that local authorities are individual employers in their own right and have the autonomy to make decisions on pay that are appropriate to their local circumstances and which deliver value for money for local taxpayers.

### **Pay Policy Statement**

- 4        The draft Pay Policy Statement is attached at Appendix A to this report for Members consideration. Its content is defined by the regulations set out

## Agenda Item 8a

within sections 38 to 43 of the Localism Act 2011 and associated guidance issued by the Secretary of State for Communities and Local Government.

- 5 The Pay Policy Statement is required to set out the authority's policies relating to the remuneration of each of its chief officers, the remuneration of its lowest paid employees and the relationship between the two. The Statement must be approved by full Council by 31 March 2016 and will take effect from 1 April 2016. The Policy is forward looking and any recruitment decisions taken between 1 April 2016 and 31 March 2015 regarding Chief Officers must take account of the commitments made in the Pay Policy Statement.
- 6 It is a requirement of the Localism Act that the Pay Policy Statement is approved annually by full Council, and this is a function that cannot be delegated. As a minimum, once the Statement is approved, it must be published on the Council website.

### Other Options Considered and/or Rejected

- 7 None. It is a statutory requirement to produce and publish a Pay Policy Statement.

### Key Implications

#### Financial

- 8 The Pay Policy Statement sets out the policies by which senior officers will be remunerated by the Council. Any such decisions on recruitment would be made within the wider context of the Council's budget and savings plan and create no new burdens on financial resources.

#### Legal Implications and Risk Assessment Statement.

- 9 Failure to publish a Pay Policy Statement, approved by full Council, by 31 March 2016 will be a breach of the Localism Act 2011.

#### Equality Assessment

- 10 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### Conclusions

- 11 The Pay Policy Statement sets out the elements of senior officer pay that enable the Council to attract high quality officers whilst protecting value for money to the community. Its approval by Council and publication on the Council website will improve transparency and accountability whilst ensuring adherence to the Localism Act 2011.

**Appendices**

Appendix A - Pay Policy Statement

**Background  
Papers:**

Localism Act, Chapter 8, Pay Policy Statements

<http://www.legislation.gov.uk/ukpga/2011/20/part/1/chapter/8/enacted>

Openness and accountability in local pay: Guidance under section 40 of the Localism Act (Communities and Local Government)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5956/2091042.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf)

Openness and accountability in local pay: supplementary guidance

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/85886/Final\\_Supplementary\\_Pay\\_Accountability\\_Guidance\\_20\\_Feb.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf)

**Dr Pav Ramewal  
Chief Executive**

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**Sevenoaks District Council  
Pay Policy Statement 2016/17**

**1. Introduction**

- 1.1 The Council's Pay Policy Statement sets out its policies for 2016/17 relating to:
- The remuneration of its chief officers,
  - The remuneration of its lowest-paid officers, and
  - The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
- 1.2 The Pay Policy Statement is prepared in accordance with the requirements of the Localism Act 2011 and associated guidance published by the Secretary of State for Communities and Local Government.
- 1.3 The Statement has been approved by resolution of the full Council and the commitments made in the Pay Policy Statement will be applied to remuneration of chief officers during 2016/17.

**2. Definitions**

- 2.1 The following definitions have been applied in preparing the Pay Policy Statement:
- (a) Remuneration - the officers salary<sup>1</sup>, any bonuses payable, any charges, fees or allowances payable, any benefits in kind, any increase or enhancement to pension entitlement and any amounts payable to the officer on them leaving the authority<sup>2</sup>
  - (b) Chief Officers - the Head of Paid Service (the 'Chief Executive'), Statutory Chief Officers (Section 151 Officer & the Monitoring Officer), Non Statutory Chief Officers (Chief Officers).
  - (c) Lowest-paid officers - this corresponds to the lowest pay point on which a full time, permanent officer can be appointed to when joining the Council. It does not relate to an individual job role. This definition has been adopted as a true and fair representation of the lowest paid salary point offered by the Council, although it does not necessarily mean that any officer working for the Council currently receives this level of pay. This definition provides a fair and accurate description for an entry level position into the authority, roles that require full supervision that have little, if any responsibility.

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<sup>1</sup> In the case where an officer is engaged under a contract for services, the salary is equal to the payments made by the Council to the officer for those services.

<sup>2</sup> Other than amounts that may be payable by virtue of any enactment

### **3. Terms and Conditions**

- 3.1 The general terms and conditions of employment are in accordance with those agreed by the National Joint Council for Local Government Services.
- 3.2 As Head of Paid Service, the Chief Executive shall have responsibility for the management of all officers, including the number and grade of officers and their organisation and structures.
- 3.3 The Council shall appoint such officers as it thinks necessary for the proper discharge of its functions or of another local authority's functions as fall to be discharged by the Council. All appointments shall be made on merit and in accordance with the Council's agreed policies and procedures.
- 3.4 Only under exceptional circumstances, where there is a proven benefit that will deliver clear value for money to residents, will the Council re-employ officers who have left with a severance or redundancy payment or are in receipt of a pension under the Local Government Pension Scheme. This may include re-engagement on a self employed basis with a contract for services. This Policy applies to both ex-employees of Sevenoaks District Council and of other local government organisations.
- 3.5 All officers appointed by the Council are paid as individuals with the correct personal national insurance and income tax contributions applied. The Council does not make permanent appointments through any other arrangements.

### **4. Remuneration of Chief Officers**

#### **4.1 Head of Paid Service**

- 4.1.1 The Head of Paid Service holds the title of Chief Executive or any equivalent as determined by Council.
- 4.1.2 The Head of Paid Service is one of three statutorily required posts at the Council, alongside the Section 151 Officer and the Monitoring Officer. The Head of Paid Service holds overall responsibility for corporate management and operational functions. This includes:
  - Overall management responsibility for all Officers;
  - Provision of professional advice to all parties in the decision-making process;
  - Advising whether decisions of the Cabinet are in accordance with the budget and policy framework (in consultation with the Section 151 Officer (where they are not the same person) and the Monitoring Officer);

- Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Members (in consultation with the Section 151 Officer (where they are not the same person) and the Monitoring Officer);
- To be the Returning Officer and Electoral Registration Officer for the Council; and
- To represent the Council on partnership and external bodies as required by statute or the Council.

4.1.3 The remuneration for the Head of Paid Service will include:

- Salary in line with the Sevenoaks District Council Chief Executive pay scale, inclusive of the outer fringe allowance;
- Car Allowance of £6,000 per annum;
- Payment for acting as the Returning Officer at elections. Payments for each election are determined by the size of the electorate in the district, with the payment for national elections being set nationally and the payment for local elections set at county level; and
- An employer contribution to their pension of the amount required under the nationally determined terms of the Local Government Pension Scheme.

4.1.4 At the point of recruitment the salary of the Head of Paid Service will be determined by the level of skill and experience that they are evaluated as bringing to the role. In any case the salary will not exceed the top pay point of the Sevenoaks District Council Chief Executive pay scale.

4.1.5 The Head of Paid Service will, like all other officers, be able to increase their salary on an annual basis by demonstrating excellent performance when assessed through full participation in the Council's appraisal scheme, until the top point of the pay band is reached. The Head of Paid Service will also be entitled to receive any national pay award determined by the National Joint Council. No other increases or additions to their remuneration will be payable without a resolution of Council.

4.1.6 The Council does not adopt a performance related pay system for any officers outside of the appraisal scheme, including the Head of Paid Service.

4.1.7 The Council does not pay bonuses for any officers, including the Head of Paid Service, other than those determined by the appraisal scheme upon achieving outstanding performance.

- 4.1.8 The Council will not make payment to the Head of Paid Service if they are summarily dismissed.
- 4.1.9 If the Council makes the Head of Paid Service redundant a payment will be made to them based on their length of service (up to a maximum of 20 years) based on their actual weeks pay.
- 4.1.10 If the Head of Paid Service resigns their post they will not be entitled to any compensatory payment from the Council.
- 4.1.11 The following terms and conditions will also apply to the Head of Paid Service:
- The Head of Paid Service may be the Section 151 Officer, but may not be the Council's Monitoring Officer; and
  - The post of Head of Paid Service is politically restricted.
- 4.2 Non Statutory Chief Officers**
- 4.2.1 Non statutory chief officers are defined in the Local Government and Housing Act 1989 as a person for whom the Head of Paid Service is directly responsible.
- 4.2.2 The remuneration for non statutory chief officers designated as Chief Officer will include:
- Salary in line with the Sevenoaks District Council Chief Officer pay scale, inclusive of the outer fringe allowance;
  - Car Allowance of £4,000 per annum;
  - Consideration of an additional responsibility allowance; and
  - An employer contribution to their pension of the amount required by the Local Government Pension Scheme.
- 4.2.3 At the point of recruitment an officer holding the post of a non statutory chief officer will be determined by the level of skill and experience that they are evaluated as bringing to the role.
- 4.2.4 An officer holding the post of a non statutory chief officer will, like all other officers, be able to increase their salary on an annual basis by demonstrating excellent performance when assessed through full participation in the Council's appraisal scheme, until the top point of the pay band is reached. An officer holding the post of a non statutory chief officer will also be entitled to receive any national pay award determined by the National Joint Council. No other increases or additions to their remuneration will be payable without a resolution of Council.



- 4.2.5 The Council does not adopt a performance related pay system for any officers outside of the appraisal scheme, including officers holding the post of a non statutory chief officer.
- 4.2.6 The Council does not pay bonuses for any officers, including officers holding the post of a non statutory chief officer, other than those determined by the appraisal scheme upon achieving outstanding performance.
- 4.2.7 The Council will not make payment to officers holding the post of a non statutory chief officer if they are summarily dismissed.
- 4.2.8 If the Council makes a non statutory chief officer redundant a payment will be made to them based on their length of service (up to a maximum of 20 years) based on their actual weeks pay.
- 4.2.9 If an officer holding the post of a non statutory chief officer resigns their post they will not be entitled to any compensatory payment from the Council.
- 4.2.10 The following terms and conditions will also apply to an officer holding the post of a non statutory chief officer:
- The posts held by non statutory chief officers are politically restricted.

### **4.3 Statutory Chief Officer - Monitoring Officer**

- 4.3.1 The role of the Monitoring Officer is designated to the post of Chief Officer Legal & Governance, or an equivalent officer as determined by the Head of Paid Service.
- 4.3.2 The Monitoring Officer is one of three statutorily required posts at the Council, alongside the Head of Paid Service and the Section 151 Officer. The Monitoring Officer is responsible for:
- Maintaining the constitution;
  - Ensuring lawfulness and fairness of decision making;
  - Supporting the Standards Committee;
  - Advising whether decisions of the Cabinet are in accordance with the budget and policy framework (in consultation with the Head of Paid Service and the Section 151 Officer); and
  - Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Members (in consultation with the Head of Paid Service and the Section 151 Officer).
- 4.3.3 The Monitoring Officer cannot be the Section 151 Officer or the Head of Paid Service.

4.3.4 Until the date of the voluntary redundancy of the Chief Officer Legal & Governance the remuneration for the Monitoring Officer and terms and conditions for the post are as those set out for non-statutory chief officers at sections 4.2.2 to 4.2.10 above.

4.3.5 After that date the role will be undertaken by an equivalent officer as determined by the Head of Paid Service. The remuneration of the Monitoring Officer from that date will include:

- Salary at Band H to Band I of the Council's pay scale, inclusive of the outer fringe allowance;
- Car Allowance of £4,000 per annum;
- Consideration of an additional responsibility allowance; and
- An employer contribution to their pension of the amount required by the Local Government Pension Scheme.
- Terms as set out at 4.2.3 to 4.2.10 above.

#### **4.4 Statutory Chief Officer - Section 151 Officer**

4.4.1 The Section 151 Officer is one of three statutorily required posts at the Council, alongside the Head of Paid Service and the Monitoring Officer. The role of Section 151 Officer is designated to the Chief Finance Officer, or any suitably qualified Chief Officer as determined by the Head of Paid Service.

4.4.2 The Section 151 Officer is responsible for:

- Ensuring lawfulness and financial prudence of decision-making;
- Administration of financial affairs;
- Contributing to corporate management;
- Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Members and will support and advise Members and Officers in their respective roles; and
- Providing financial information to the media, members of the public and the community.

4.4.3 The pay policies applicable to this post are detailed at section 4.2.2 to 4.2.10 above.

4.4.4 The following terms and conditions will also apply to the Section 151 Officer post:

- The post of the Section 151 Officer is politically restricted; and
- The Section 151 Officer cannot be the Monitoring Officer but may hold the post of Head of Paid Service.

**5. Transparency and Publication of Chief Officer Salaries**

- 5.1 Further information about responsibilities and appointment of Chief Officers is published in the Council's Constitution. The provisions within this Pay Policy Statement do not alter the requirements and powers, which the Constitution sets out.
- 5.2 Further information about the salaries of Chief Officers is available on the Council's website. The Council's Statement of Accounts is published annually and includes a full breakdown of payments made to Chief Officers for the past year.
- 5.3 The transparency section of the Council's website includes the publication of the pay scales of all officers at the council who receive a full time equivalent salary in excess of £50,000 per annum.

**6. Remuneration of lowest-paid officers**

- 6.1 The salary of the lowest-paid role at the Council will be equivalent to the lowest pay point within Band A of the National Joint Council salary scales inclusive of the outer fringe allowance.
- 6.2 All Council officers are able to increase their salary on an annual basis, until the top point of the pay band is reached by demonstrating excellent performance when assessed through full participation in the Council's appraisal scheme. All officers are also entitled to receive any national pay award determined by the National Joint Council. There are no other performance related or bonus payments payable to officers.
- 6.3 All Council officers are eligible to join the Local Government Pension Scheme. As their employer the Council will contribute to each officers pension the amount required by the Local Government Pension Scheme.

**7. The Pay Relationship**

- 7.1 The National Joint Council salary scales offer a fair and non-discriminatory approach to pay and grading reflected through a job evaluation scheme. Each role is individually assessed and evaluated to ensure an accurate level of pay. The result of evaluations reflects the level of responsibility associated with each respective post.
- 7.2 In 2015/16 the median average salary at Sevenoaks District Council was £23,510, which lies at spinal point 26 of Band C.
- 7.3 The pay multiple between the Chief Executive's salary and the median salary point is 5.8.

- 7.4 The Council is clear that pay at all levels is properly assessed and evaluated to ensure it accurately and fairly reflects the level of skill and responsibility associated with each respective post. Maintaining this approach will ensure that the Council is committed to a fair pay relationship and maintaining a proportionate pay ratio between the average pay level and that of the Chief Executive.

**DRAFT CALENDAR OF MEETINGS FOR THE MUNICIPAL YEAR 2016/17**

**Council - 16 February 2016**

Report of Chief Officer Legal and Governance

Status: For Consideration

Key Decision: No

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**Portfolio Holder** Cllr. Firth (Legal & Democratic Services)

**Contact Officer** Vanessa Etheridge Ext. 7199

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**Recommendation:** That the Calendar of Meetings for 2016/17 be approved subject to formal adoption at the Annual Meeting of the Council on 10 May 2016.

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**Introduction**

- 1 The draft calendar of meetings for the municipal year 2016/17 is attached for consideration. All Members and Senior Officers have been consulted on the draft dates.
- 2 This draft calendar avoids meetings on Mondays and Wednesdays, and attempts to keep meetings away from school holidays as much as possible. Whilst best endeavours will be maintained to avoid evening meetings on Mondays and Wednesdays it may be necessary to look at these dates if additional meetings are called. All additional meeting dates are set up in consultation with the relevant Chairman.
- 3 It is the responsibility of the Annual Meeting of the Council to confirm the Council's calendar of meetings for the oncoming year. However, it is considered prudent to put it before this meeting of the Council to allow more time for forward planning by Officers and Members and booking of meeting rooms etc.

**Key Implications**

Financial

None directly arising from this report.

Legal Implications and Risk Assessment Statement.

The Council is under a legal duty to hold an Annual Meeting during a particular period and to set a Council Tax by a specific date. The calendar proposed here meets those requirements.

## Agenda Item 8b

### Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **Conclusion**

Members are requested to consider the attached draft Calendar of Meetings and recommend it to the meeting of Annual Council for formal adoption.

### **Appendices**

Appendix A - Draft Calendar of meetings for the municipal year 2016/17

### **Background papers**

None

**Christine Nuttall**  
**Chief Officer for Legal and Governance**

# SEVENOAKS DISTRICT COUNCIL - DRAFT CALENDAR OF MEETINGS 2016/17

## As at 29.1.2016

### Appendix A

	APRIL 2016		MAY 2016				JUNE 2016				JULY 2016				
MONDAY	18 Finance Advisory Committee	25	2 Public Holiday	9	16	23	30 Public Holiday	6	13	20	27	4	11	18	25
TUESDAY	19 Planning Advisory Cttee	Council	3 Scrutiny Committee	10 Annual Council Sp. Cabinet	17 Licensing Committee (6pm)	24 Finance Advisory Committee	31	7 Policy & Performance Advisory Committee	14 Housing Advisory Committee	21 Planning Advisory Cttee	28 Direct & Trading Advisory Cttee	5 Legal & Democratic Services Advisory Cttee	12 Governance Committee	19 Scrutiny Committee	26
WEDNESDAY	20	27	4	11 Health Liaison Board (2pm)	18	25	1	8	15	22	29	6	13 Licensing Committee (6pm)	20	27
THURSDAY	21 Cabinet	DCC	5 Police & Crime Commissioner Elections	12	19 DCC	26 Sevenoaks District Joint Transportation Board	2	9 Cabinet	16 DCC	23 Economic & Community Development Advisory Cttee	30 Audit Committee	7 DCC	14 Cabinet	21 Council	28 DCC
FRIDAY	22	29	6	13	20	27	3	10	17	24	1	8	15	22	29

	AUGUST 2016					SEPTEMBER 2016					OCTOBER 2016				NOVEMBER 2016	
MONDAY	1	8	15	22	29 Public Holiday	5	12	19	26	3	10	17	24	31	7	
TUESDAY	2	9	16	23	30	6 Finance Advisory Committee	13 Sevenoaks District Joint Transportation Board	20 Licensing Committee (6pm)	27 Audit Committee	4 Housing Advisory Committee	11 Economic & Community Development Advisory Cttee	18 Legal & Democratic Services Advisory Cttee	25	1 Direct & Trading Advisory Cttee	8 Scrutiny Committee	
WEDNESDAY	3	10	17	24	31	7	14 Health Liaison Board (2pm)	21	28	5	12	19	26	2	9 Health Liaison Board (2pm)	
THURSDAY	4	11	18 DCC	25	1	8 DCC	15 Cabinet	22 Policy & Performance Advisory Committee	29 DCC	6 Planning Advisory Cttee	13 Cabinet	20 DCC	27	3 Governance Committee	10 Cabinet	
FRIDAY	5	12	9	26	2	9	16	23	30	7	14	21	28	4	11	

Key (Most meetings start at 7pm and are held at the Council Offices in Argyle Road - please check the Council website for details.)

- |                               |   |                             |
|-------------------------------|---|-----------------------------|
| Council                       | Cabinet   | Planning Advisory Committee |
| Development Control Committee | Finance Advisory Committee                          | Joint Transportation board  |
| Licensing Committee 6pm       | Policy & Performance Advisory Committee             | Health Liaison Board - 2pm  |
| Audit Committee               | Housing Advisory Committee                          |                             |
| Scrutiny Committee            | Economic & Community Development Advisory Committee |                             |
| Governance Committee          | Direct & Trading Advisory Committee                 |                             |
| Standards Committee           | Legal & Democratic Services Advisory Committee      |                             |

# SEVENOAKS DISTRICT COUNCIL - DRAFT CALENDAR OF MEETINGS 2016/17

## As at 29.1.2016

	NOVEMBER 2016		DECEMBER 2016					JANUARY 2017				FEBRUARY 2017		
MONDAY	14	21	28	5	12	19	26 Public Holiday	2 Public Holiday	9	16	23	30	6	13
TUESDAY	15 Finance Advisory Committee	22 Council	29 Housing Advisory Committee	6 Sevenoaks District Joint Transportation Board	13 Economic & Community Development Advisory Cttee	20	27 Public Holiday	3	10 Audit Committee	17 Planning Advisory Cttee	24 Legal & Democratic Services Advisory Cttee	31 Finance Advisory Committee	7 Scrutiny Committee	14 Council (Budget)
WEDNESDAY	16	23	30	7	14	21	28	4 Licensing Committee (6pm)	11 Standards Committee	18	25	1	8 Health Liaison Board (2pm)	15
THURSDAY	17 DCC	24 Policy & Performance Advisory Committee	1 Cabinet	8 DCC	15	22	29	5 DCC	12 Cabinet	19 Direct & Trading Advisory Cttee	26 DCC	2 Governance Committee	9 Cabinet	16
FRIDAY	18	25	2	9	16	23	30	6	13	20	27	3	10	17
	FEB 2017		MARCH 2017					APRIL 2017				MAY 2017		
MONDAY	20	27	5	13	20	27	3	10	17 Public Holiday	24	1 Public Holiday	8	15	
TUESDAY	21 Policy & Performance (Reserve Budget)	28 Housing Advisory Committee	7 Economic & Community Development Advisory Cttee	14 Direct & Trading Advisory Cttee	21 Legal & Democratic Services Advisory Cttee	28 Finance Advisory Committee	4	11	18	25 Council	2 Annual Council SP.Cabinet	9	16	
WEDNESDAY	22 Licensing Committee (6pm)	1	8 Sevenoaks District Joint Transportation Board	15	22	29	5	12	19	26	3	10	17	
THURSDAY	23 DCC	2 Planning Advisory Cttee	9 Cabinet	16 DCC	23 Audit Committee	30 Scrutiny Committee	6 DCC	13	20 Cabinet	27 DCC	4	11	18 DCC	
FRIDAY	24	3	10	17	24	31	7	14 Public Holiday	21	28	5	12	19	

Agenda Item 8b

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Key (Most meetings start at 7pm and are held at the Council Offices in Argyle Road - please check the Council website for details.)

Council

- Development Control Committee
- Licensing Committee 6pm
- Audit Committee
- Scrutiny Committee
- Governance Committee
- Standards Committee

Cabinet

- Finance Advisory Committee
- Policy & Performance Advisory Committee
- Housing Advisory Committee
- Economic & Community Development Advisory Committee
- Direct & Trading Advisory Committee
- Legal & Democratic Services Advisory Committee

Planning Advisory Committee

- Joint Transportation board
- Health Liaison Board - 2pm



Date: 23 October 2015 – 22 January 2016

FINAL

October 2015	Event	Comments
26 Oct	<ul style="list-style-type: none"> <li>Meeting with Justin Griggs (National Association of Local Councils) Head of Policy and Development</li> <li>LGA (Local Government Association) Annual Parliamentary Reception</li> </ul>	
29 Oct	<ul style="list-style-type: none"> <li>Meeting with Crockenhill PC</li> </ul>	
<b>November 2015</b>		
4 Nov	<ul style="list-style-type: none"> <li>Presentation to Swanley TC</li> </ul>	
5 Nov	<ul style="list-style-type: none"> <li>Kent Property Market Report Launch 2015</li> </ul>	
8 Nov	<ul style="list-style-type: none"> <li>Remembrance Day Parade and Service</li> </ul>	
9 Nov	<ul style="list-style-type: none"> <li>APSE (Association for Public Service Excellence) and NPI (New Policy Institute) roundtable: The Future of Local Government Finance</li> </ul>	
11 Nov	<ul style="list-style-type: none"> <li>Sevenoaks Town Forum</li> </ul>	
12 Nov	<ul style="list-style-type: none"> <li>District Tour for Members</li> </ul>	
13 Nov	<ul style="list-style-type: none"> <li>Kent District Leaders</li> </ul>	
16 Nov	<ul style="list-style-type: none"> <li>SDC/Sevenoaks Town Council Annual Liaison meeting</li> </ul>	
17 Nov	<ul style="list-style-type: none"> <li>Evidence at HoC Committee</li> <li>DCN (District Councils Network) Executive Meeting</li> </ul>	
19 Nov	<ul style="list-style-type: none"> <li>SDC/Edenbridge Town Council Annual Liaison meeting</li> </ul>	
24 Nov	<ul style="list-style-type: none"> <li>Kent Council Leaders Meeting</li> </ul>	
26 Nov	<ul style="list-style-type: none"> <li>Westerham TC Annual Liaison Meeting</li> </ul>	
<b>December 2015</b>		
1 Dec	<ul style="list-style-type: none"> <li>Commissioning Plan meeting with Roger Gough</li> <li>KMEP (Kent &amp; Medway Economic Partnership) Meeting</li> </ul>	
2 Dec	<ul style="list-style-type: none"> <li>LGA ENVIRONMENT, ECONOMY, HOUSING &amp; TRANSPORT BOARD</li> </ul>	
3 Dec	<ul style="list-style-type: none"> <li>Meeting with members from Horsham DC</li> </ul>	
4 Dec	<ul style="list-style-type: none"> <li>Talk at Lady Boswells School</li> </ul>	
7 Dec	<ul style="list-style-type: none"> <li>Community Carol Service</li> </ul>	
8 Dec	<ul style="list-style-type: none"> <li>MIND Carol Service</li> </ul>	
9 Dec	<ul style="list-style-type: none"> <li>Digital Envoy Lunch</li> </ul>	
10 Dec	<ul style="list-style-type: none"> <li>LGA Executive Leadership Board</li> <li>LGA Executive</li> </ul>	
11 Dec	<ul style="list-style-type: none"> <li>SELEP (South East Local Enterprise partnership) Full Board Meeting</li> </ul>	
<b>January 2016</b>		
4 Jan	<ul style="list-style-type: none"> <li>Meeting with Greg Clark MP - London</li> </ul>	
20 Jan	<ul style="list-style-type: none"> <li>LGA Leadership Board Meeting</li> </ul>	
21 Jan	<ul style="list-style-type: none"> <li>LGA Member Forum</li> <li>LGA Executive</li> </ul>	
22 Jan	<ul style="list-style-type: none"> <li>West Kent Partnership AGM</li> </ul>	

