

06 October 2016 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks
Despatched: 28.09.16



Policy & Performance Advisory Committee

Membership:

Chairman, Cllr. Fleming; Vice-Chairman, Cllr. Miss. Stack
Cllrs. Abraham, Clark, Eyre, Kelly, Krogdahl, Maskell, McGregor, Mrs. Morris, Parkin and Thornton

Agenda

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Committee held on 7 June 2016, as a correct record	(Pages 1 - 4)	
2. Declarations of Interest Any interests not already registered		
3. Actions from previous meeting (if any)		
4. Update from Portfolio Holder		Councillor Fleming
5. Referrals from Cabinet or the Audit Committee (if any)		
6. Budget 2017/18: Service Dashboards and Service Change Impact Assessments (SCIAS)	(Pages 5 - 40)	Adrian Rowbotham Tel: 01732 227153
7. Development of Buckhurst 2 Car Park	(Pages 41 - 54)	Adrian Rowbotham, Richard Wilson Tel: 01732 227153/7262
8. Work Plan	(Pages 55 - 56)	

EXEMPT INFORMATION

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.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

POLICY & PERFORMANCE ADVISORY COMMITTEE

Minutes of the meeting held on 7 June 2016 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Miss. Stack (Vice Chairman)

Cllrs. Clark, Krogdahl, Maskell, McGregor, Mrs. Morris, Parkin and Thornton

Apologies for absence were received from Cllrs. Abraham, Eyre and Kelly

1. Appointment of Chairman

Resolved: That Cllr. Fleming be appointed as Chairman of the Committee for the ensuing municipal year.

(Cllr. Fleming in the Chair)

2. Appointment of Vice Chairman

Resolved: That Cllr. Miss. Stack be appointed as Vice Chairman of the Committee for the ensuing municipal year.

3. Minutes

Resolved: That the Minutes of the meeting held on 1 March 2016, be approved and signed by the Chairman as a correct record.

4. Declarations of Interest

There were no additional declarations of interest.

5. Actions from previous meeting

There were none.

6. Update from Portfolio Holder

The Chairman and Portfolio Holder for Policy & Performance advised that with reference to the Regeneration of Swanley the working mens' club as of that day, was about 90% demolished. Advertising Consent was being sought for the hoarding in order to use it as space to advertise what was happening in Swanley and to

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update the public on the masterplan etc. Swanley Town Council had now requested that something be done to tidy up 'meeting point'.

7. Referrals from Cabinet or the Audit Committee

There were none.

8. Annual Complaints Report 2015-16

The Corporate Customer Services & Delivery Manager presented a report which updated Members regarding customer complaints and feedback monitoring for the year 2015/16, as compared to 2014/15. The report provided details of formal complaints received by Sevenoaks District Council during the period 1 April 2015 to 31 March 2016. She responded to questions of clarification.

Public Sector Equality Duty

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

Resolved: That the report be noted.

9. Devolution - Update

Members considered a report which provided an update on devolution as it was progressing both nationally and at a local level in West Kent.

The Chairman advised that at the recent Kent Leaders meeting, at the moment alignment seemed to be with West Kent along with Tunbridge Wells and Tonbridge & Malling Borough Councils. The Chief Executive advised that the relevant Chief Executives were leading on certain areas, his being Public Health and Community Safety.

Public Sector Equality Duty

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

Resolved: That the report be noted.

10. Local Government Transparency - Consultation on changes to the 2015 Code

The Policy Officer presented a report advising that Government had set out a consultation to update the 2015 Local Government Transparency Code. Members were asked to provide their views to inform the Council's response to the consultation.

Members considered the consultation and were of the view that anything that was advantageously beneficial to Officers e.g. helped with Freedom of Information

(FOI) responses, was worth pursuing. However various concerns were raised such as: all data had value; commercial applications; potential for fraud applications; questions of how up to date the data would be; and the potential for economic planning and development but also elements of danger.

Members also thought the aims were unclear and were not sure what Government was trying to achieve. They felt the purpose needed to be clarified, the benefit explained. Members were not against transparency and self service but not at the cost of loss of such things as competitive advantage. It needed to be cost effective, of use and beneficial. The Policy Officer advised that she was not aware of any evidence or research that had been carried out on how the current arrangements had enabled democratic accountability or shaped public services. The Policy Officer was advised to look at the consultation from a commitment point of view - comply where mandatory, when not, only do if of benefit to the Council as there were concerns with regards to the cost in resources.

Public Sector Equality Duty

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

Resolved: That Officers be requested to formulate a response with the concerns raised at the meeting.

11. New Public Sector Duty on Apprenticeships and the Apprenticeship Levy

The Policy Officer presented a report which provided Members with an overview of the new duty for the public sector on apprenticeships, and the Government's apprenticeship levy. It outlined the information currently available from Government regarding how these were intended to work, and considered some of the known implications for Council.

Potentially the Council could face challenges in both finding the resources to meet the salaries and associated costs of apprentices, in finding the right training frameworks delivered locally for its particular needs, and in attracting young people to take up the opportunities. It was particularly noted that the targets being set by Government related to apprenticeship "starts". Based on the suggested 2.3% that would be 7 starts a year at the Council. Drop-out rates from apprenticeships nationally were often high, up to 60%, indicating that there could be challenges faced by all parties (employers, the young person and the training provider) in sustaining the role and providing support to the young person. It would be a 'duty' not a legal requirement, but there would be a requirement to annually report on how the target was being met. It was noted that while all employers with a paybill of £3m or more were liable for the levy, only the public sector was facing the double impact of the new duty and levy, due to come into force on 1 April 2017.

It was suggested that this could be used to solve challenges facing local government, and the potential for older people entering modern apprenticeships

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was discussed. However it was noted that the financial incentive was aimed at 16-18 year olds.

Public Sector Equality Duty

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

Resolved: That new public sector apprenticeship duty and the cost of the apprenticeship levy be noted.

12. Work Plan

The work plan was noted.

THE MEETING WAS CONCLUDED AT 8.20 PM

CHAIRMAN

BUDGET 2017/18: SERVICE DASHBOARDS AND SERVICE CHANGE IMPACT ASSESSMENTS (SCIAS)

Policy and Performance Advisory Committee - 6 October 2016

Report of Chief Finance Officer

Status: For Decision

Also considered by: Planning Advisory Committee - 22 September 2016

Housing and Health Advisory Committee - 4 October 2016

Economic and Community Development Advisory Committee
- 11 October 2016

Legal and Democratic Services Advisory Committee - 18
October 2016

Direct and Trading Advisory Committee - 1 November 2016

Finance Advisory Committee - 15 November 2016

Key Decision: No

Executive Summary: This report sets out updates to the 2017/18 budget within the existing framework of the 10-year budget and savings plan. The report presents proposals that have been identified which need to be considered, together with further suggestions made by the Advisory Committees, before finalising the budget for 2017/18.

Informed by the latest information from Government and discussions with Cabinet, it is proposed that the Council continues to set a revenue budget which assumes no funding from Government through the Revenue Support Grant or New Homes Bonus. This will result in the Council continuing to be financially self-sufficient as set out in its Corporate Plan.

To achieve this aim and to ensure a balanced budget position over the next 10 year period, whilst also increasing the Council's ability to be sustainable beyond that time, a savings requirement of £100,000 per annum is currently included.

Portfolio Holder Cllr. Searles

Contact Officer(s) Adrian Rowbotham Ext. 7153

Helen Martin Ext. 7483

Recommendation to each Advisory Committee:

- (a) Advise Cabinet with views on the growth and savings proposals identified in Appendix D applicable to this Advisory Committee.
- (b) Advise Cabinet with further suggestions for growth and savings applicable to this Advisory Committee.

Reason for recommendation: It is important that the views of the Advisory Committees are taken into account in the budget process to ensure that the Council's resources are used in the most suitable manner.

Introduction and Background

- 1 The Council's financial strategy over the past twelve 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;
 - improved 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 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available in future months and current assumptions may need to be updated.
- 4 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.
- 5 With the amount of Revenue Support Grant provided by Government continuing to reduce at a significant rate it is important that the council remains 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 and business rate base; and
 - generating more income.
- 6 The intention of this report is to provide Members of each Advisory Committee an opportunity to give their views on potential growth and savings items that could be included in the updated 10-year budget that will be presented to Council on 21 February 2017.
- 7 The 'Financial Prospects and Budget Strategy 2017/18 and Beyond' report has been presented to Cabinet to start the budget setting process for 2017/18.
- 8 This report presents members with the following documents relating to the budget for 2017/18:
- Service Dashboards relating to this Advisory Committee (Appendix A);
 - 2016/17 Budget by Service relating to this Advisory Committee (Appendix B);
 - Summary of the Council's agreed savings plan and growth items (Appendix C);
 - New growth and savings items proposed relating to this Advisory Committee (Appendix D);
 - Service Change Impact Assessment forms (SCIAs) for the new growth and savings items relating to this Advisory Committee - if applicable (Appendix E);
 - 10-year budget (Appendix F);
 - Budget timetable (Appendix G).

Financial Self-Sufficiency

- 9 The Council's Corporate Plan, introduced in 2013, set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 10 This approach was adopted in response to the financial challenges the Country is faced with in bringing its public spending down to ensure it is able to live within its means. In practice this has seen Government funding to local authorities dramatically reduced since 2010/11 with Sevenoaks District Council expecting to receive no Revenue Support Grant from 2017/8.

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- 11 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.
- 12 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Associations Peer Challenge of the District Council during December 2013. In their closing letter to the Council they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'.
- 13 With the Council expecting to receive no Revenue Support Grant from 2017/18 and New Homes Bonus expected to reduce from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus. Any funding received from these sources 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 supporting 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.
- 14 Cabinet are keen to remain financially self-sufficient and be ahead of the game. This will allow this Council 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.

Service Dashboards

- 15 The intention of service dashboards is to provide Members with improved information during the budget setting process to provide context and inform any growth and savings ideas that Members may put forward.
- 16 The Service Dashboards cover a summary of the services provided, objectives, achievements and opportunities, challenges and risks and performance.
- 17 Appendix A contains the Service Dashboards for those services directly relevant to this Advisory Committee and Appendix B contains the budget for those services.

Savings Plan

- 18 Appendix C to this report sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12, which have allowed the Council to deliver a 10 year balanced budget.
- 19 The savings plan requires a total of £6 million to be saved between 2011/12 and 2017/18 which is an average saving of nearly £900,000 per annum. In

the thirteen years from 2005/06, over £10m of savings will then have been made.

- 20 The 10-year budget attached shows a net saving or additional income requirement of £100,000 per annum to deliver a long term sustainable budget.

Proposed Growth and Savings Items

- 21 Growth items are items that are in addition to non-service issues and risks, such as grant settlements, impacts of economic change and other pressures highlighted in the 'Financial Prospects and Budget Strategy 2017/18 and Beyond' report considered by Cabinet on 15 September 2016.
- 22 A number of growth and savings items will be proposed at the seven Advisory Committees with the aim of achieving the £100,000 mentioned above. The £100,000 does not necessarily have to all be achieved in 2017/18 but the impact is required to be £1m (i.e. £100,000 x 10 years) over the 10-year budget period.
- 23 A list of the proposed growth and savings items relating to this Advisory Committee are listed in Appendix D.
- 24 Service Change Impact Assessments (SCIAs) contain further details for all proposed growth and savings items. SCIAs applicable to this Advisory Committee can be found in Appendix E.

Financial Summary

- 25 The assumptions currently included take into account the latest information available but a number of assumptions may change before the final budget meeting in February 2017.
- 26 The 10-year budget attached at Appendix E includes the changes that were included in the 'Financial Prospects and Budget Strategy 2017/18 and Beyond' report and an additional small change regarding savings previously agreed.

Role of the Advisory Committees

- 27 Members' budget training sessions were held on 14 and 20 September 2016.
- 28 Views of the Advisory Committees on the growth and savings items proposed together with any additional suggestions will be considered by Cabinet at its meeting on 1 December 2016.
- 29 To assist the Advisory Committees in making additional suggestions, Members will be asked for their thoughts on the following points and will be requested to write their comments on post-it notes and put on the relevant board:
- Growth ideas for services within the terms of reference of this Advisory Committee.

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- Savings ideas for services within the terms of reference of this Advisory Committee.

30 Officers will summarise the answers before the Committee decides on suggestions to be recommended to Cabinet.

Process and Timetable

31 This report is the second stage of the budget process as shown in the Budget Timetable (Appendix G).

32 It is possible that Advisory Committees may have to re-address service budgets in January if significant changes have taken place leading to a large and unmanageable deficit.

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.

Challenges and risks are included in the Service Dashboards and each Service Change Impact Assessment (SCIA) includes the likely impacts including a risk analysis.

Financial risks will be reviewed again when the Cabinet publishes its proposals for the annual budget.

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 equality impact assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent.

Conclusions

The Strategic Financial and Business Planning process has ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult financial challenges which it has faced. The 10-year budget has further improved this process and helped to ensure that the Council is well placed in dealing with more immediate and longer-term financial challenges.

By becoming financially self-sufficient at an early stage, this Council has become much more in control of its own destiny as the Property Investment Strategy should provide a much more stable income stream than the reducing direct government funding streams.

The attached 10-year budget shows that this Council can continue to be financially stable going into the future with a level of assurance that any council would aspire to.

This budget process will once again be a major financial challenge for a Council that already provides value for money services to a high standard. In making any budget proposals, Members will need to consider the impact on service quality and staff well-being, to ensure that these proposals lead to an achievable 10-year budget that supports the Council's aspirations for customer-focused services.

Members' consideration and scrutiny of the relevant services is an essential and key element in the business and financial planning process. If the net total of growth and savings proposals identified by the Advisory Committees and approved by Cabinet does not reach the £100,000 savings target, additional savings will be required that may result in service changes, to ensure a balanced budget position.

Appendices

Appendix A - Service Dashboards relating to this Advisory Committee.

Appendix B - 2016/17 Budget by Service relating to this Advisory Committee.

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

Appendix D - New growth and savings items proposed relating to this Advisory Committee.

Appendix E - Service Change Impact Assessment forms (SCIAs) for the new growth and savings items relating to this Advisory Committee (if applicable).

Appendix F - 10-year budget.

Appendix G - Budget timetable.

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Background Papers:

[Report to Council 16 February 2016 - Budget and Council Tax Setting 2016/17](#)

[Report to Cabinet 15 September 2016 - Financial Prospects and Budget Strategy 2017/18 and Beyond](#)

**Adrian Rowbotham
Chief Finance Officer**

Advisory Committee responsibilities

Special projects (asset acquisition, disposal and redevelopment)

Objectives

- To support the Council's self-sufficiency by growing the Council's property portfolio in accordance with the approved Property Investment Policy
- Ensuring most effective use of Council property and land assets, including disposing of surplus land and buildings
- Progressing regeneration and redevelopment opportunities to support the economic development of the District

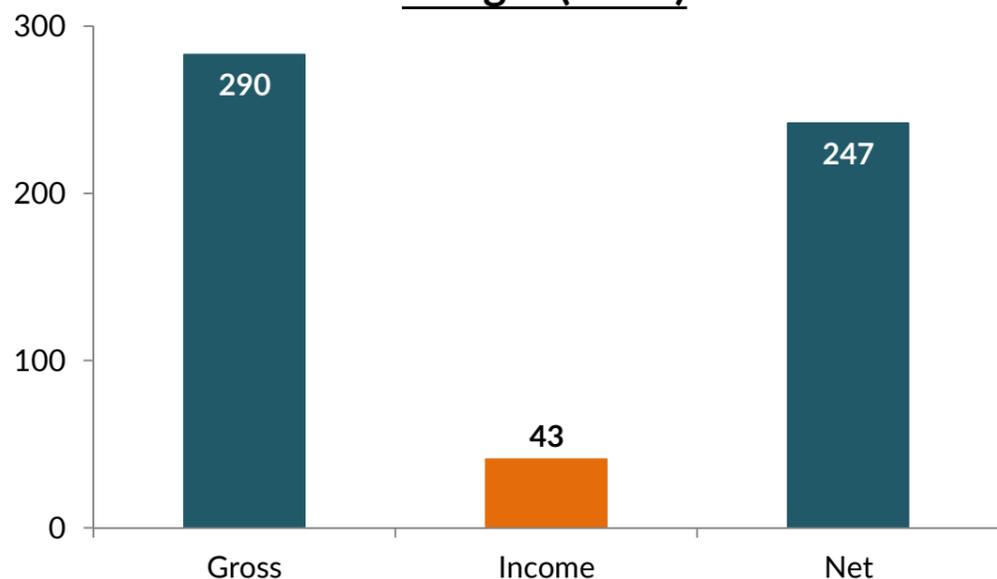
Achievements & Opportunities

- Investment in property assets in Sevenoaks and Swanley generating a minimum return on investment of 6%, which contribute £450k per annum to Council budgets
- Commenced development of new decked car park in Sevenoaks town.
- Disposed of surplus assets generating an income in excess of £4m for the District Council
- Secured a development partner and submitted a planning application for a hotel development in Sevenoaks

Challenges & Risks

- Delivering a hotel in Sevenoaks town
- Continuing to seek opportunities to dispose of surplus land
- Regeneration of Council owned sites at Meeting Point and Swanley Working Men's Club
- Delivering a new scheme for Buckhurst 2 car park and seeking a cost neutral solution for Swanley Leisure Centre

Economic Development & Property Budget (£000)



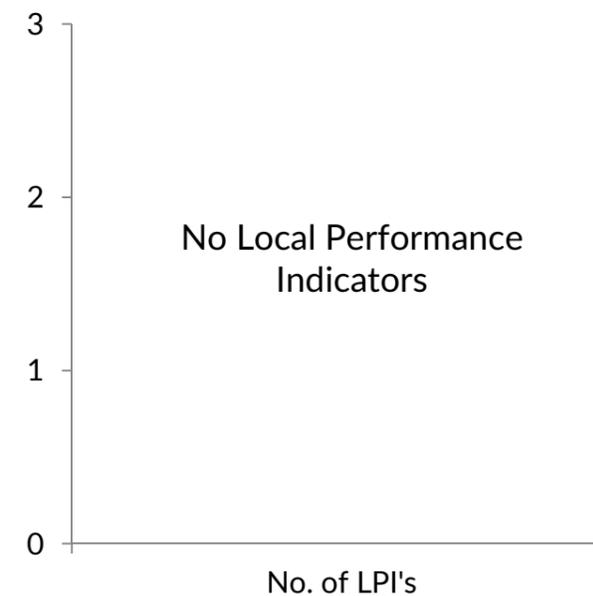
Service contribution

- Statutory service
- Income generating
- Working in partnership

Corporate priorities

- Self sufficiency ✓
- Value for Money ✓
- Safe district ✗
- Collect rubbish effectively ✗
- Green Belt ✗
- Local Economy ✓

Performance



Advisory Committee responsibilities

Customer Service standards, digital & Human Resources

Objectives

- To support and deliver high quality customer service across the organisation and to co-ordinate and deliver service improvements from the complaints process
- To provide a comprehensive HR and payroll service to the organisation; supporting recruitment and retention, training and development, employee relations and staff wellbeing
- To provide high quality IT solutions for staff and customers; supporting improvements in the way the Council delivers its services and creating efficiencies and savings from the effective use of digital solutions

Achievements & Opportunities

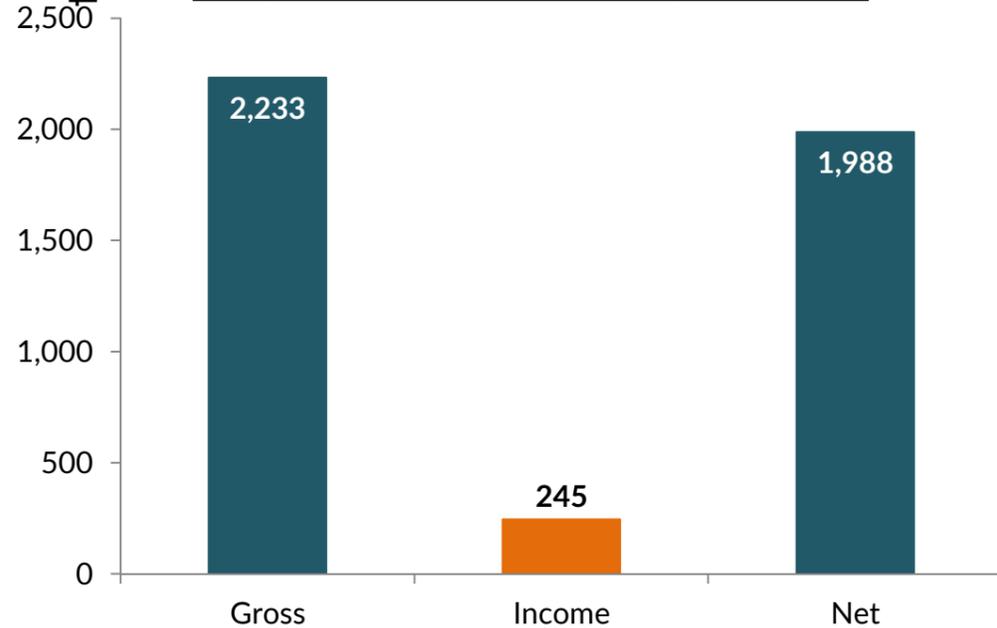
- Reduced customer complaints, with only three stage two complaints received in 2015/16 and a 27% reduction in stage one complaints
- Providing a new council website designed with a strong customer focus and providing a platform for more online services
- Supported the Council to achieve Platinum status through Investors in People – the only public sector organisation to hold this level of accreditation
- Supported the delivery of shared services and financial savings for the Council through the delivery of innovative IT solutions

Challenges & Risks

- To deliver a new Council website that improves the experience for the customer and enables more services to be delivered online
- To maintain low levels of customer complaints and improve services by learning from customer feedback
- To maintain the Council's Investors in People status at Platinum level
- Through improved use of IT delivering innovative digital solutions that improve the service to the customer and create efficiencies for the Council

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Corporate Services Budget (£000)



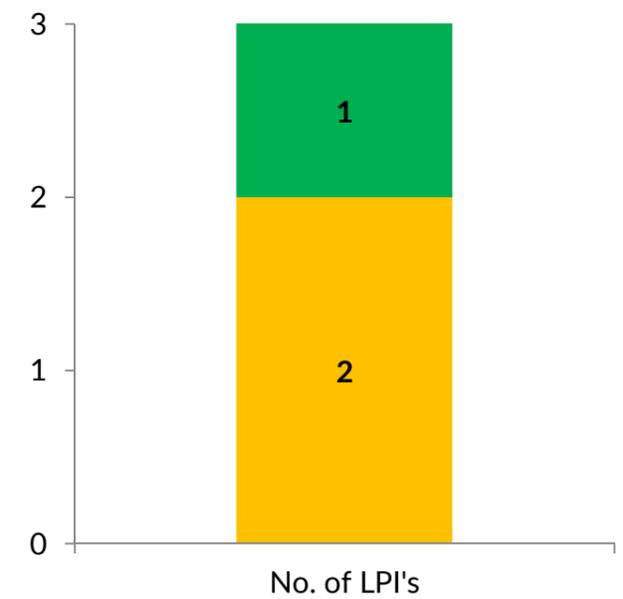
Service contribution

- Statutory service
- Income generating
- Working in partnership

Corporate priorities

- Self sufficiency ✓
- Value for Money ✓
- Safe district ✗
- Collect rubbish effectively ✗
- Green Belt ✗
- Local Economy ✗

Performance



Advisory Committee responsibilities
 Corporate policy & performance and communications

Objectives

- To set out the Council's policy direction and monitor progress against it through the Corporate Plan
- To set the Council's performance management framework, review service performance and support Council services to improve
- To deliver the Council's Communications Strategy and action plan
- To respond to media enquiries, promote Council initiatives and services and produce and distribute InShape, the Council's magazine

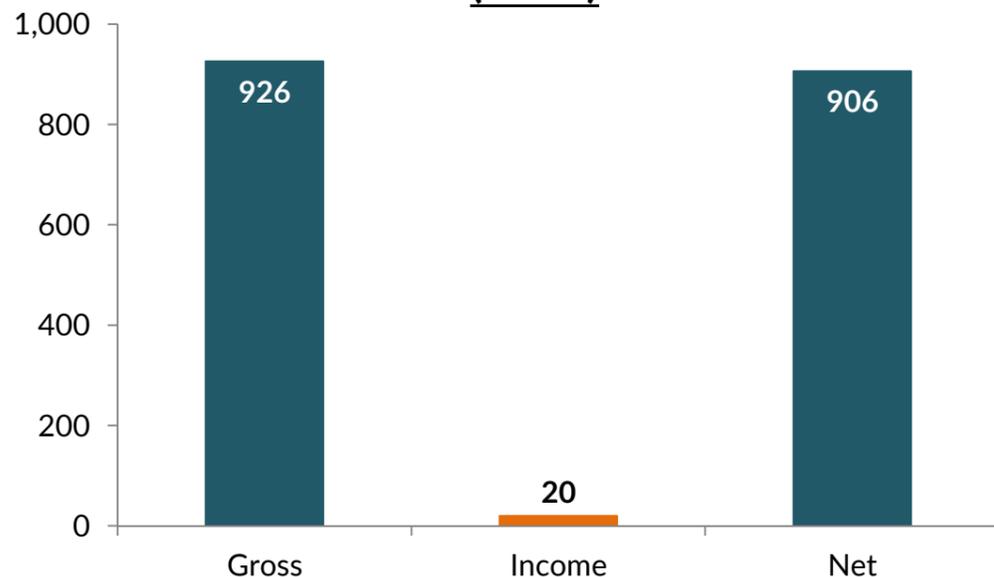
Achievements & Opportunities

- Continued strong performance across Council services as recognised from performance monitoring, resident consultation, independent peer review and Award Schemes
- High values of trust and satisfaction amongst residents
- The delivery of a new Council website provides an opportunity to further improve Council services through greater adoption of digital services, transforming the way services approach the customer
- The Council's self-sufficient budget position provides an opportunity for new communications campaigns and marketing of Council services

Challenges & Risks

- Supporting the ongoing improvement of services, with a focus on Council priorities such as paperless, online services and self-sufficiency
- Seeking to deliver initiatives that enable the Council to manage the increasing demand for its services within the resources available
- Seeking to protect and enhance the Council's reputation as it pioneers self-sufficiency and responds to changes to regulations

Transformation & Strategy Budget (£000)



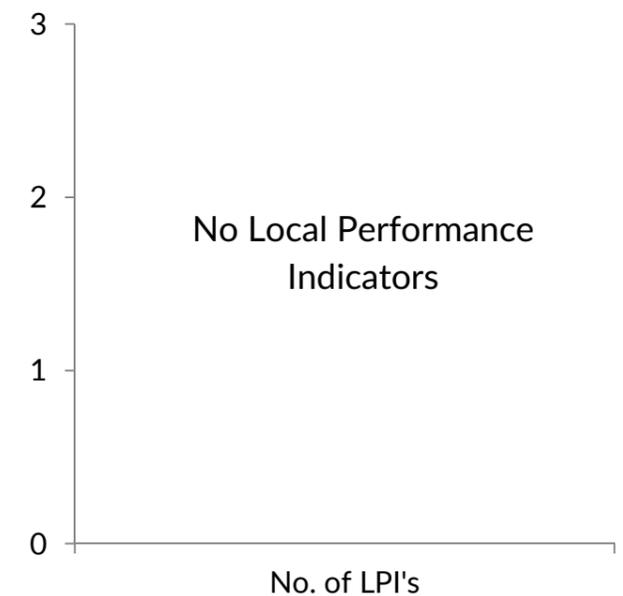
Service contribution

- Statutory service
- Income generating
- Working in partnership

Corporate priorities

- Self sufficiency ✓
- Value for Money ✓
- Safe district ✗
- Collect rubbish effectively ✗
- Green Belt ✗
- Local Economy ✗

Performance



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Policy and Performance Advisory Committee: 2016/17 Budget by Service

Revenue		2016/17	2016/17	2016/17
Chief Officer	Description	Expenditure	Income	Net
		£'000	£'000	£'000
Communities and Business	Economic Development Property	290	(43)	247
Corporate Services	Administrative Expenses - Corporate Support	24		24
Corporate Services	Asset Maintenance IT	269		269
Corporate Services	Support - Contact Centre	449		449
Corporate Services	Support - General Admin - Print	209	(209)	0
Corporate Services	Support - IT	955	(25)	930
Corporate Services	Support - Local Offices	57		57
Financial Services	Action and Development	7		7
Financial Services	Administrative Expenses - Transformation and Strategy	5		5
Financial Services	Consultation and Surveys	4		4
Financial Services	Corporate Management	1,117		1,117
Financial Services	Corporate Savings	(379)		(379)
Financial Services	External Communications	166	(13)	153
Financial Services	Performance Improvement	6	(7)	(1)
Corporate Services	Administrative Expenses - Human Resources	13	(3)	10
Corporate Services	Support - Human Resources	257	(8)	249
		<u>3,449</u>	<u>(308)</u>	<u>3,141</u>

Capital		2016/17
Chief Officer	Description	Expenditure
		£'000
Env & Op Svs	Sennocke Hotel	1,500
Env & Op Svs	Bradbourne Car Park	5,300
Env & Op Svs	Car Park	4,000
Finance	Property Investment Strategy	10,000
		<u>20,800</u>

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Summary of the Council's Agreed Savings and Growth Items

Appendix C

SCIA Year	No.	Description	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Later Years £000	Total £000
		Direct and Trading Advisory Committee									
2016/17	8	Playgrounds: Reduction in asset maintenance (reversal of temporary saving item)								7	
2016/17	9	Public Conveniences: Reduction in asset maintenance (reversal of temporary saving item)								8	
		Economic and Community Development Advisory Committee									
2014/15	2	Economic Development & Property Team - SCIA originally called 'Broadband and business growth' (reversal of temporary growth item)								(30)	
		Finance Advisory Committee									
2011/12	62,63	Staff terms and conditions - savings agreed by Council 18/10/11							(162)	(674)	
2015/16	10	External Audit fee reduction (reversal of temporary saving item)								30	
		Housing and Health Advisory Committee									
		No savings or growth agreed from 2017/18 onwards									
		Legal and Democratic Services Advisory Committee									
		No savings or growth agreed from 2017/18 onwards									
		Planning Advisory Committee									
		No savings or growth agreed from 2017/18 onwards									
		Policy and Performance Advisory Committee									
2016/17	1	Ec. Dev. & Property: Staffing levels made permanent							28	30	
		Total Savings	(2,984)	(841)	(314)	(479)	(533)	(721)	(162)	(599)	(6,633)
		Total Growth	371	45	50	327	177	309	28	(30)	1,277
		Net Savings	(2,613)	(796)	(264)	(152)	(356)	(412)	(134)	(629)	(5,356)

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New Growth and Savings Proposals: Policy and Performance Advisory Committee

SCIA Year	No.	Description	Year	Ongoing	2017/18 Impact £000	10-year Budget Impact £000
Growth						
2017/18	8	Increase in website support costs	2017/18	yes	39	390
2017/18	9	Increase in IT resource	2017/18	yes	50	500
2017/18	10	Apprenticeship levy	2017/18	3 years	45	135
Sub Total					134	1,025
Savings						
2017/18	11	Swanley contract	2018/19	yes	0	(225)
2017/18	12	Customer Service resource	2018/19	yes	0	(225)
2017/18	13	Review of training budgets	2017/18	yes	(15)	(150)
2017/18	14	Consultancy	2017/18	yes	(18)	(180)
Sub Total					(33)	(780)
Net Savings Total					101	245

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SCIA 08 (17/18)

Head of Service	Lee Banks	Service:	Communications
Activity	Website support and maintenance	No. of Staff:	3 fte

Activity Budget Change	Year: 2017/18 Growth £000	Later Years Comments (ongoing, one-off, etc.)
Increase in website support costs	39	Ongoing

Reasons for and explanation of proposed change in service	<p>Costs for the support and maintenance of the Council's website have increased above the current budget provision. These costs include ongoing requirements for external hosting, security, patching, and testing.</p> <p>Whilst costs have increased, so has the planned functionality of the website and improved services to the public.</p>
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Key Stakeholders Affected	Customers of Sevenoaks District Council
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Likely impacts and implications of the change in service (include Risk Analysis)	Without the appropriate budget provision for this service, the Council website would not be able to be maintained in a fit for purpose environment, providing important services securely to customers.
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Risk to Service Objectives (High / Medium / Low)	High
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2016/17 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	166	None.		
Income	(13)			
Net Cost	153			

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.

SCIA 09 (17/18)

Chief Officer:	Jim Carrington-West	Service:	IT Services
Activity	IT Support and Development	No. of Staff:	15 FTE

Activity Budget Change	Year: 2017/18 Growth £000	Later Years Comments (ongoing, one-off, etc.)
Increase in IT resource	50	Ongoing

Reasons for and explanation of proposed change in service	<p>Additional development and GIS resource is required to deliver on a programme of service improvements through better use of technology. This will produce more integrated services with an increased ability for customers to self-serve.</p> <p>£50,000 growth in funding is the net increase required once offset by expected savings across services through an invest to save approach.</p>
--	--

Key Stakeholders Affected	Customers of Sevenoaks District Council
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Likely impacts and implications of the change in service (include Risk Analysis)	<p>This additional resource will provide a more comprehensive, accessible range of services available to the public. Failure to invest in this service development will lead to missed efficiencies and service improvements.</p>
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Risk to Service Objectives (High / Medium / Low)	High
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2016/17 Budget	£'000	Performance Indicators		
Operational Cost	955	Code & Description	Actual	Target
Income	(25)	None		
Net Cost	930			

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.

SCIA 10 (17/18)

Head of Service	Lee Banks	Service:	Corporate Management
Activity	Apprenticeship Levy	No. of Staff:	N/a

Activity Budget Change	Year: 2017/18 Growth £000	Later Years Comments (ongoing, one-off, etc.)
Apprenticeship Levy	45	Ongoing for three years

Reasons for and explanation of proposed change in service	The Government is set to introduce an apprenticeship levy and public sector duty on apprenticeships which are both due to come into force from April 2017 and run until March 2020. All public sector bodies with a payroll of £3m and over will be expected to contribute 0.5% of their payroll towards the levy, the funds from which will be used to buy apprenticeship training and assessment.
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Key Stakeholders Affected	None.
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Likely impacts and implications of the change in service (include Risk Analysis)	It is a statutory duty for the Council to pay the apprenticeship levy. Failure to meet these costs through growth in the budget may lead to the need to identify savings within other service budgets.
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Risk to Service Objectives (High / Medium / Low)	High
---	------

2016/17 Budget	£'000	Performance Indicators		
Operational Cost	-	Code & Description	Actual	Target
Income	-	None.		
Net Cost	-			

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.

SCIA 11 (17/18)

Chief Officer:	Jim Carrington-West	Service:	Customer Services
Activity	Customer Services	No. of Staff:	15.78 FTE

Activity Budget Change	Year: 2018/19 Saving £000	Later Years Comments (ongoing, one-off, etc.)
Swanley contract	(25)	Ongoing

Reasons for and explanation of proposed change in service	<p>The Council is partway through a two year contract with Swanley Town Council to provide some customer facing services locally on behalf of the district, which can be reviewed at the end of its current term.</p> <p>As more services move online and are available for self-service, coupled with the provision of alternative payment methods for the payment of Council Tax it is expected that costs related to the current contract can be reviewed and reduced.</p>
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Key Stakeholders Affected	Residents of the Swanley Area
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Likely impacts and implications of the change in service (include Risk Analysis)	<p>There is likely to be little impact to the residents of Swanley due to the ability to self-serve or deal directly with Customer Services staff at the District Council Offices.</p> <p>Local residents can pay for their Council Tax at the Swanley Link via the Post Office Counter or any PayPoint outlet. In addition it is anticipated that the weekly Benefits surgery would continue twice a week for face to face meetings.</p>
---	---

Risk to Service Objectives (High / Medium / Low)	Low
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2016/17 Budget	£'000	Performance Indicators		
Operational Cost	53	Code & Description	Actual	Target
Income	-	None		
Net Cost	53			

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.

SCIA 12 (17/18)

Chief Officer:	Jim Carrington-West	Service:	Customer Services
Activity	Customer Services	No. of Staff:	15.78 FTE

Activity Budget Change	Year: 2018/19 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Customer Service Resource	(25)	Ongoing

Reasons for and explanation of proposed change in service

As more services move online and are available for self-service with the delivery of the new SDC website, it is expected that resource requirements within the Customer Services Team can be reviewed and reduced from 2018/19 onwards.

Key Stakeholders Affected

Residents of Sevenoaks District

Likely impacts and implications of the change in service (include Risk Analysis)

The impact of this change is expected to be low as it is not intended that services are reduced but moved to a more accessible and cost effective method of access. It is expected that sufficient resource will be retained to ensure face to face and telephone services remain available to those customers that wish to contact the Council in this way.

Risk to Service Objectives (High / Medium / Low)

Low

2016/17 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	449	Percentage of phone calls answered within 20 seconds	63%	70%
Income	-			
Net Cost	449			

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.

SCIA 13 (17/18)

Chief Officer:	Jim Carrington-West	Service:	Human Resources
Activity	Training and development	No. of Staff:	6.03 FTE

Activity Budget Change	Year: 2017/18 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Review of training budgets	(15)	Ongoing

Reasons for and explanation of proposed change in service

The excellent training and development the council provides has been recognised through the recent Investors in People award. The Council is the only local authority to hold the prestigious Platinum IIP Accreditation.

In achieving this recognition, the types and methods of training are under constant review to ensure that it is targeted, efficient and highly effective. In many instances, internal talent has been recognised and our own staff used to deliver training. This has led to the more effective use of the allocated budget in this area. Therefore an ongoing saving of £15,000 per year is achievable whilst maintaining the high standards the council has been recognised for.

Key Stakeholders Affected

Sevenoaks District Council Staff and Members

Likely impacts and implications of the change in service (include Risk Analysis)

The impact of this change is expected to be low as more cost effective methods of training have been delivered and continue to serve the organisation well.

Risk to Service Objectives (High / Medium / Low)

Low

2016/17 Budget	£'000	Performance Indicators		
Operational Cost	143	Code & Description	Actual	Target
Income		None		
Net Cost	143			

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.

SCIA 14 (17/18)

Head of Service	Lee Banks	Service:	Corporate Management
Activity	Consultancy	No. of Staff:	N/a

Activity Budget Change	Year: 2017/18 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Consultancy	(18)	Ongoing

Reasons for and explanation of proposed change in service

The council retained a relatively small budget, which often goes unspent to contribute towards the costs of projects and initiatives where some level of expertise or skill is required that cannot be met from internal resources.

This budget is no longer deemed necessary to hold as the introduction of the Property Investment Strategy and 'spend to save' resources are in place to meet such costs.

Key Stakeholders Affected

None.

Likely impacts and implications of the change in service (include Risk Analysis)

None. The Council retains sufficient budget to meet the costs associated with projects and other initiatives.

Risk to Service Objectives (High / Medium / Low)

Low

2016/17 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	18	None.		
Income	-			
Net Cost	18			

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.

Ten Year Budget - Revenue

	Budget 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	Plan 2026/27
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	14,253	13,689	14,249	14,489	14,638	15,178	15,536	15,886	16,243	16,605	16,972
Inflation	569	494	611	435	627	443	450	457	462	467	471
Superannuation Fund deficit: actuarial increase	(721)	300	0	0	200	0	0	0	0	0	0
Net savings (approved in previous years)	(13)	(162)	(271)	(216)	(187)	15	0	0	0	0	0
New growth	88	28	0	30	0						
New savings/Income	(487)	(100)									
Net Service Expenditure b/f	13,689	14,249	14,489	14,638	15,178	15,536	15,886	16,243	16,605	16,972	17,343
Financing Sources											
Government Support											
: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(9,672)	(9,982)	(10,300)	(10,627)	(10,963)	(11,309)	(11,663)	(12,028)	(12,402)	(12,786)	(13,181)
Locally Retained Business Rates	(1,951)	(1,989)	(2,048)	(2,113)	(2,155)	(2,198)	(2,242)	(2,287)	(2,333)	(2,380)	(2,428)
Collection Fund Surplus	(333)	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(250)	(130)	(130)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Property Investment Strategy Income	(500)	(500)	(1,132)	(1,276)	(1,276)	(1,276)	(1,276)	(1,376)	(1,376)	(1,376)	(1,576)
Contributions to/(from) Reserves	100	(353)	(353)	(353)	(353)	(353)	(179)	(179)	(635)	148	148
Total Financing	(12,606)	(12,954)	(13,963)	(14,619)	(14,997)	(15,386)	(15,610)	(16,120)	(16,996)	(16,644)	(17,287)
Budget Gap (surplus)/deficit	1,083	1,295	526	19	181	150	276	123	(391)	328	56
Contribution to/(from) Stabilisation Reserve	(1,083)	(1,295)	(526)	(19)	(181)	(150)	(276)	(123)	391	(328)	(56)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

Assumptions	
Revenue Support Grant:	nil all years
Locally Retained Business Rates:	2% all years
Council Tax:	2% all years
Interest Receipts:	£130,000 in 17/18 - 18/19, £250,000 in later years
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% in later years
Other costs:	2.25% in all years
Income:	2.5% in all years

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2017/18 Budget Setting Timetable

	Date	Committee
Stage 1		
Financial Prospects and Budget Strategy 2017/18 and Beyond	6 September	Finance AC
	15 September	Cabinet
↓		
Stage 2		
Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	22 September	Planning AC
	4 October	Housing & Health AC
	6 October	Policy & Performance AC
	11 October	Economic & Comm. Dev. AC
	18 October	Legal & Dem. Svs AC
	1 November	Direct & Trading AC
	15 November	Finance AC
↓		
Stage 3		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	1 December	Cabinet
↓		
Stage 4		
Budget Update (incl. Government Settlement Information)	12 January	Cabinet
↓		
Stage 5		
<i>Budget Update and further review of Service Change Impact Assessments (if required)</i>	<i>January - February</i>	<i>Advisory Committees</i>
↓		
Stage 6		
Budget Setting Meeting (Recommendations to Council)	9 February	Cabinet
↓		
Stage 7		
Budget Setting Meeting (incl. Council Tax setting)	21 February	Council

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

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DEVELOPMENT OF BUCKHURST 2 CAR PARK

Policy and Performance Advisory Committee - 6 October 2016

Report of Chief Officer Environmental and Operational Services
Chief Finance Officer

Status: For recommendation

Also considered by: Cabinet - 13 October 2016
Council - 22 November 2016

Key Decision: No

Executive Summary: This report seeks approval to develop the existing Buckhurst 2 car park to provide additional town centre parking capacity and residential accommodation.

This report supports the Key Aims of value for money and financial self sufficiency.

Portfolio Holder Cllr. Fleming

Contact Officers Richard Wilson, Ext. 7262
Adrian Rowbotham Ext. 7153

Recommendation to Policy & Performance Advisory Committee: That it be recommended to Cabinet that

- (a) a planning application be submitted to provide additional long stay parking at the Buckhurst 2 Car Park, Sevenoaks
- (b) the planning application includes provision for residential accommodation to partly offset the cost of the proposed car park
- (c) Members recommend the preferred funding method from the scenarios detailed.

Recommendation to Cabinet: That it be recommended to Council that

- (a) a planning application be submitted to provide additional long stay parking at the Buckhurst 2 Car Park, Sevenoaks
 - (b) the planning application includes provision for residential accommodation to partly offset the costs of the proposed car park,
 - (c) Members recommend the preferred funding method from the scenarios
-

detailed.

Recommendation to Council: That

- (a) a planning application be submitted to provide additional long stay parking at the Buckhurst 2 Car Park, Sevenoaks
- (b) the planning application includes provision for residential accommodation to partly offset the costs of the proposed car park,
- (c) Members recommend the preferred funding method from the scenarios detailed.

Reason for recommendation: The proposed development has the potential to deliver much needed long stay parking in the town centre of Sevenoaks complimented by some residential accommodation.

Introduction and Background

- 1 In Autumn 2013, Members requested officers to investigate the provision of additional parking capacity in the Sevenoaks Town Centre.
- 2 It was evident from demonstrated demand levels and independent and in-house surveys that capacity, particularly for long stay parking, was at a critical usage level. This situation has not changed.
- 3 It was resolved at Cabinet on 6 March 2014 that:
 - a) A planning application be submitted to provide an additional 300 car park spaces on the existing Buckhurst 2 car park by providing a two storey elevated car deck, and
 - b) It be recommended to full Council that:
 - Subject to planning consent, to undertake a Procurement exercise for the project and subject to the successful tender being within the estimated costs as outlined in this report, to award a contract to design and build the elevated car park decks on the existing Buckhurst 2 car park.
 - A budget of £3.5-£4.0 million be approved to be financed by borrowing from the Public Works Loan Board.
 - That delegated authority be granted to the Portfolio Holders for Finance and Resources and Economic and Community Development to, after consideration of the tender evaluation, accept the most economically advantageous tender, to award the contract and authorise expenditure and approvals within the estimated costs outlined in this report and the borrowing approval.

- That a planning application be submitted for the decking of the existing Bradbourne car park to increase parking capacity in the area adjacent to the railway station.
 - A planning application be submitted to provide additional parking spaces in the existing Suffolk Way car park by providing either a one or two storey elevated car deck, to allow for longer term provision of additional short stay parking capacity.
- 4 Subsequently a planning application for the Buckhurst 2 Car Park was prepared for submission in October 2014. However, due to concerns raised by Kent County Council with regard to the transport assessment relating to the traffic controlled junction at Pembroke Road/Suffolk Way/High Street the application was withdrawn pending resolution of the concerns raised by Kent Highways.
- 5 Following discussions with Kent Highways and a revised transport assessment being prepared, these concerns were resolved to Kent Highways satisfaction in February 2015.
- 6 During the pre-application consultation, however, concerns were raised by several objectors about the overall height of the proposed decked car park and particularly the impact on the Heritage asset site of Knole Park. Concerns on the impact were also raised by other objectors including the Sevenoaks Society.
- 7 Members subsequently requested officers to look into the feasibility of 'Cutting' the proposed car park into the existing ground to reduce the overall height. The original proposal constructed the decking on the existing profile of the site which has a considerable slope from the Buckhurst Avenue/Webbs Ally Corner to the Leisure Centre.
- 8 The current proposal 'cuts' into the site, to level the site and its lowest existing level. This considerably reduces the overall height of the proposed structure.
- 9 A draft scheme has now been prepared for this proposed structure.

Estimated Costs

- 10 In March 2014 a budget of up to £4m was approved. This was based on a feasibility study from a company called 'Topdeck' of a basic steel frame structure and based on Autumn 2013 prices. The cost didn't include fees.
- 11 This scheme, by October 2014, had risen to an estimated cost of £5.8m due to fees; additional design requirements following pre-application consultation; inflation and contingencies. The additional design requirements alone amounted to an additional £720,000. Inflation added £292,000.

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Revised Feasibility

- 12 Consultant's Willmott Dixon have been appointed, through the SCAPE Procurement route to provide a feasibility study for a 527 space car park (existing capacity 291 spaces) 236 additional spaces, by providing a 3 storey deck on the existing Buckhurst 2 site, by cutting into the site and lowering the existing level to the lowest point of the existing site, with a unit transfer slab to allow construction of residential units on one elevation of the site.
- 13 The estimated cost of this proposal is £9.5m including all fees and contingencies (10%). It may be prudent to allow a further 5% additional contingency to cover the Council for any unforeseen costs. Rounding up gives a total estimated cost of £9.85m.
- 14 The increase in costs are related to a basement style construction including sheet piled retaining wall and removing and disposing of 20,000 cubic meters of excavated materials; piled foundations; provision of residential transfer deck, and inflation (since Autumn 2013).
- 15 It is anticipated that providing the residential transfer deck will allow residential accommodation to be included in the final design to partly offset the additional cost of the car park. The residential transfer deck could accommodate a development of ten 4 bedroom town houses. An independent valuation for the development has indicated a total sale value of £8,073,600, with construction costs estimated at £2,320,000 and allowing for contingency, fees, marketing and disposal costs at £559,190, this would realise an estimated £5,194,000 surplus. The market value for just the residential deck has been estimated at £3,590,000.
- 16 Detailed design and costings will be commissioned should Members decide to proceed with the project. A more detailed cost plan will be developed as the design progresses.
- 17 The other available option to increase long stay parking capacity on this site could be to resubmit the planning application originally prepared in October 2014.

Business Case

- 18 There is a proven shortage of long stay parking in the Sevenoaks Town Centre, demonstrated by demand levels and from in-house and independent surveys. It is essential that additional long stay parking, particularly for workers and residents, be provided to ensure the continued economic viability of the Town.
- 19 The Buckhurst site is well located to serve local businesses and support the local economy. There is also an increased demand for residents' parking permits.
- 20 Consideration needs to be given to the preferred method of funding, with the cost partly offset by providing residential accommodation on one elevation of the site. The car park will provide 236 additional parking

spaces, in total 527 spaces on this site. Funding scenarios are provided in Appendix 'A'.

Planning

- 21 The Buckhurst 2 site in Planning Policy terms is suitable for redevelopment for a variety of uses including residential, business, leisure and retail. Town Centre parking should be managed to ensure adequate and convenient provision for shoppers and appropriate provision for long stay parking.
- 22 The provision of decked car parking would support the vitality of the Town Centre, and therefore there is Planning Policy support in principle for decking this car park.
- 23 A development of 10 residential units with a combined floor space of more than 1000sqm would result in a need to provide affordable housing. Policy SP3 of the Core Strategy requires that 30% of the units should be affordable and the preference is for those to be provided on site, although in exceptional circumstances a financial contribution can be made towards off site provision. In addition, since August 2014, new residential developments need to pay the Community Infrastructure Levy (CIL) to fund local infrastructure. The adopted charging schedule requires a payment of £125 per sq metre.

Procurement

- 24 A contracting Authority/Central Purchasing Body arrangement (SCAPE Procurement Route) will be utilised, which has followed an OJEU compliant process to form 'frameworks' from which a panel of consultants and contractors have been appointed. This SCAPE procurement framework would be used to engage the major works contractor who would in turn engage consultants and sub-contractors under the same framework agreement.

Key Implications

Financial

The total cost of the car park, including the residential deck and contingencies is estimated at £9.85m. The potential for the net income from the housing scheme included in the report is £4.6m (£5.2m less £0.6m for affordable housing and CIL contributions). This results in a net cost for the scheme of £5.25m.

	£m
Car park cost	9.85
Housing scheme net income	(4.60)

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Net Scheme Cost	5.25
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The financial requirements of the scheme are to break even over 30 years and also to break even over the 10-year budget period.

A number of funding scenarios have been investigated and the details of those most relevant are detailed in Appendix A and are summarised in the table below.

	Funding	Average Annual Yield	Net Impact on Revenue over 30 years cost/(surplus)	Average annual cost to revenue over the first ten years of operation cost/(surplus)
		%	£000	£000
A	100% £9.85m External Borrowing from the Public Works Loan Board (PWLB)	-2.5%	7,467	358
B	£4.6m from housing scheme capital receipts and £5.25m from the PWLB.	-0.2%	306	107
C	£4.6m from housing scheme capital receipts and £5.25m from the PWLB. Increase all off-street parking charges by an additional 1% for 5 years	2.9%	(4,567)	(7)

Scenario A: It was originally intended that this car park project would be funded by external borrowing from the Public Works Loans Board (PWLB). If the cost of the car park is taken alone and funded by a PWLB loan it would not meet either financial requirement. The cost over 30 years £7.467m and an average cost over the first ten years of £358,000 per annum.

Scenario B: Funding the scheme by the potential net income of the housing scheme which is £4.6m and the remaining £5.25m by external borrowing from the PWLB. This scenario results in a cost over 30 years of £306,000 and an average annual cost over the first ten years of £107,000 per annum. The difference over the two periods is due to the cost of borrowing remaining constant and the parking charge income increasing by inflation each year. Therefore, this scenario also does not meet either financial requirement.

Scenario C: This scenario is the same as scenario B except that it assumes that all off-street parking charges are increased by an additional 1% (i.e. 3.5% instead of the current assumption of 2.5%) for 5 years. This is therefore an additional

contribution from the users of the district's car parks to make the scheme cost neutral for the wider population. This scenario meets both financial requirements by making a surplus of £4.567m over 30 years and a small annual surplus of £7,000 over the first ten years.

The Affordable Housing and CIL figures are calculated from para 6.10 of the affordable Homes SPD and Adopted CIL Charging Schedule.

The Public Works Loan Board (PWLB) rate used in all calculations is 2.24% for a 30 year annuity loan as at 15 September 2016.

Further scenarios are possible by changing the mix of funding sources.

VAT

VAT incurred relating to works to the car park will be recoverable as it will be attributable to the Council's taxable supplies, assuming it remains a car park.

As long as the sale/long lease of new build town houses qualifies for zero rating (first grant of a major interest in a dwelling by the person constructing) any VAT incurred on related costs can be recovered without any impact on the Council's partial exemption position, although the majority of the build costs are likely to be zero rated. If it is a design and build contract the entire supply will be zero rated.

If it is all wrapped up in a single contract to build the houses and car park we would expect the contractor to apportion this in some way. It will be up to the contractor to calculate the amount of VAT that it must account for and provide the Council with VAT invoices/receipts accordingly.

Should the current proposal change then further advice may have to be obtained based on the role the Council may play in construction and ownership.

Legal Implications and Risk Assessment Statement.

The project construction costs identified in the report are estimates only and full details design and costings would need to be commissioned.

Any procurement will be carried out in accordance with the general principles of Contracting Authority/Centre Purchasing body arrangement (SCAPE)

Borrowing will be subject to the Council's financial procedure rules. New investment is made possible by the 'General Power of competence' introduced by Section 1 of the Localism Act 2011.

The proposed decking would be built on existing Council owned car park land.

Any planning application submitted would need to be considered and determined by the Council's Development Control Committee.

The parking surveys have provided strong evidence of the shortage of long stay parking provision in the Sevenoaks Town. Failure to provide the additional car

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parking identified is likely to have a detrimental effect on the future economic viability of the town, and District, as a venue to work, shop and visit.

A parking solution is required not only to meet the current, but future anticipated demand on parking capacity.

The Government has introduced greater powers for landowners to change the use of buildings without the need for planning permission (through its changes to the General Permitted Development order). Amendments that allow for offices to be converted to residential use and for space above shops to be converted to dwellings without the need for planning permission increase demand for parking in Town Centres. Without the need for these changes of use to be considered through the Development control process there is no scope for the Council to require additional parking for the new residents these developments will create, which will lead to increased demand for on and off street parking for residents in Town Centres.

Although the construction period, on site, for this method of construction is relatively short, temporary alternative parking will need to be made for existing users, during the on-site construction period.

A Risk Assessment is provided at Appendix B.

Community Impact and Outcomes

Increased car parking capacity would have a strong positive impact on the town centre. It would allow more people to access local services, tourist attractions and support the high proportion of independent businesses in the Town Centre. The retail offer in the town continues to be of a very high standard, with high occupancy rates and continued inward investment from the likes of Wagamamas and Marks and Spencer. Further investment in parking provision will strengthen the retail offer and ensure that Sevenoaks town has increased footfall in years to come.

It would also support businesses and staff and reduce impact on residential roads.

Equality Assessment

The decisions recommended in this report have a low relevance to the substance of the Equality Assessment. There is a positive impact on end users.

Conclusions

The parking capacity/demand survey undertaken in November 2013 has identified current critical parking levels in existing Council owned car parks (above 90% utilisation) identifying a demand for additional long stay spaces and additional short stay spaces (based on 90% utilisation rates).

A technical feasibility study has indicated that additional car park spaces could be provided by constructing elevated car park decks on the existing Council owned Buckhurst 2 car park.

Planning Policy advice has identified that the site has the potential to deliver additional car park spaces through the use of decked car parking construction methods and other uses, including residential.

Estimates on potential additional income generation indicate that the estimated 'pay-back' period to cover loan costs is extensive.

To advance the project to planning application stage, expenditure will need to be incurred with regard to surveying and design and planning application fees.

Although the construction period, on-site, is relatively short, alternative temporary parking provision will need to be considered for existing car park users, during the on-site construction period.

It is recommended that a planning application be submitted to provide additional parking for long stay parking at the Buckhurst 2 car park for the immediate future.

This proposed project supports the key aim in the council's vision, as detailed in the approved Corporate Plan; to either borrow or utilise existing financial resources, to generate on-going revenue income.

Appendices

Appendix A - Funding scenarios

Appendix B - Risk Assessment

Background Papers:

[Report to Cabinet 6 March 2014 - 'Sevenoaks Town Centre Parking Review'](#)

Richard Wilson
Chief Officer Environmental and Operational Services

Adrian Rowbotham
Chief Finance Officer

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Development of Buckhurst 2 Car Park: Funding Scenarios

Appendix A

Scenario A 100% External Borrowing from the Public Works Loan Board (PWLB)

	2017/18	2018/19	2019/20	2020/21	2021/22 and later years	Total
	£000	£000	£000	£000	£000	£000
Capital Expenditure	9,850					9,850
Funded by Ext Borrowing	-9,850					-9,850
Interest	110	217	211	206	2,986	3,731
Minimum Revenue Provision			328	328	9,193	9,850
Credit Interest Impact	2	4	7	10	996	1,019
Business Rates		51	52	53	1,911	2,067
Income from additional spaces		-200	-205	-210	-8,585	-9,200
Net Impact on revenue	112	72	394	387	6,502	7,467
	Average Annual Yield					-2.5%
	Average annual cost to revenue over the first ten years of operation					358

Scenario B £4.6m from housing scheme capital receipts and £5.25m from the PWLB

	2017/18	2018/19	2019/20	2020/21	2021/22 and later years	Total
	£000	£000	£000	£000	£000	£000
Capital Expenditure	9,850					9,850
Funded by Ext Borrowing	-5,250					-5,250
Funded by Capital Receipts	-4,600					-4,600
Interest	59	116	113	110	1,592	1,988
Minimum Revenue Provision			175	175	4,900	5,250
Credit Interest Impact	1	2	3	4	192	201
Business Rates		51	52	53	1,911	2,067
Income from additional spaces		-200	-205	-210	-8,585	-9,200
Net Impact on revenue	60	-32	137	131	10	306
	Average Annual Yield					-0.2%
	Average annual cost to revenue over the first ten years of operation					107

Scenario C £4.6m from housing scheme capital receipts and £5.25m from the PWLB. Increase all off-street

	2017/18	2018/19	2019/20	2020/21	and later years	Total
	£000	£000	£000	£000	£000	£000
Capital Expenditure	9,850					9,850
Funded by Ext Borrowing	-5,250					-5,250
Funded by Capital Receipts	-4,600					-4,600
Interest	59	116	113	110	1,592	1,988
Minimum Revenue Provision			175	175	4,900	5,250
Credit Interest Impact	1	2	3	4	192	201
Business Rates		51	52	53	1,911	2,067
Income from additional spaces		-200	-205	-210	-8,585	-9,200
Income from additional charges		-22	-45	-70	-4,736	-4,874
Net Impact on revenue	60	-54	92	61	-4,727	-4,567
	Average Annual Yield					2.9%
	Average annual cost to revenue over the first ten years of operation					-7

Assumptions

Capital expenditure of £9.85m for the car park will be incurred in 2017/18.

Income from the additional car parking spaces is based on 236 additional spaces.

Income from the additional car parking spaces will grow at 2.5% per year through inflation (as per the assumption included in the 10-year budget). Note: except where stated differently as part of a scenario.

The Minimum Revenue Provision (MRP) option selected is straight line asset life.

MRP is incurred from the year after the assets become active (2019/20).

The PWLB loan rate is 2.24% for 30 year loans (car park) based on PWLB rates at 15/09/16.

Additional Business Rate costs for the car park of £50,000 per year are incurred.

Interest on cash balances held is assumed to be 0.66% (May 2016 average return).

Agenda Item 7

Definitions

Minimum Revenue Provision:

The minimum amount which must be charged to the revenue account each year and set aside as provision for repaying loans and meeting other credit liabilities.

Credit Interest Impact:

The change in potential interest earned by making loan repayments and other scheme cashflows.

Risk Assessment

Risk	Internal Controls
<p>Planning consent not approved for either car park or residential element by Development Control Committee.</p>	<p>Pre application Consultation. Pre application discussions with Planning officers. Compliance with Planning policies.</p>
<p>Proposal for residential development may need to be amended.</p>	<p>Pre application discussions with Planning officers. Compliance with Planning policies.</p>
<p>Proposal for residential development may not realise estimated financial return.</p>	<p>Independent Valuation report undertaken from local surveyors and valuers with detailed knowledge of property values in Sevenoaks.</p>
<p>Changes in PWLB rates at time of borrowing.</p>	<p>Financial model to be amended accordingly.</p>
<p>Unforeseen cost increases could lead to budget increase and a reduction in the return on investment</p>	<p>Working with experienced Project Management Companies. Risk register to be maintained. 5% contingency sum allowed for in budget estimate.</p>
<p>Detailed design, inflation since estimate prepared and unforeseen site conditions may increase estimated cost of project.</p>	<p>Estimated cost currently includes all fees and 10% contingency. A further 5% contingency has been allowed for in total estimated budget.</p>
<p>Proposed scheme may not proceed due to planning or other relevant criteria.</p>	<p>Options identified to either resubmit the original scheme prepared in October 2014, or prepare a smaller scheme on site to reduce the overall height of the car park.</p>
<p>Poor Project Management could result in cost and programme over-run.</p>	<p>PRINCE 2 Project Management principles to be adopted. Use of experienced Project Management Consultants for both car park and residential developments. Risk analysis to be undertaken and risk register maintained.</p>
<p>Car park income levels will be insufficient to deliver the required return on investment.</p>	<p>Increased car park charges for Buckhurst 2 identified in the funding options. Surveys indicate there is a strong demand for additional parking in the Town Centre.</p>
<p>Failure to communicate effectively with key stakeholders could result in planning delays and reputational damage to the Council.</p>	<p>Full communication and consultation plan to be established.</p>

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Policy & Performance Advisory Committee Work Plan 2015/16 (as at 8/09/2016)

6 October 2016	24 November 2016	23 March 2017	Summer 2017
Review of service dashboards and service Change Impact Assessments (SCIAs)	Draft Corporate Plan		Annual Complaints Report - 2016/17

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