

18 January 2024 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 10.01.24



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https://www.youtube.com/channel/UCIT1f_F5OfvTzxjZk6Zqn6g

Cabinet

Membership:

Chairman, Cllr. Thornton; Vice-Chairman, Cllr. Perry Cole
Cllrs. Dyball, Maskell, McArthur and Reay

Agenda

There are no fire drills planned. If the fire alarm is activated, which is a continuous siren with a flashing red light, please leave the building immediately, following the fire exit signs.

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Committee held on 14 December 2023, as a correct record	(Pages 1 - 16)	
2. Declarations of interest Any interests not already registered		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees (if any)		
5. Budget Update 2024/25	(Pages 17 - 48)	Adrian Rowbotham Tel: 01732 227153
6. Calculation of Council Tax Base 2024-25	(Pages 49 - 60)	Jessica Booth Tel: 01732227436




REPORTS ALSO CONSIDERED BY THE CABINET ADVISORY COMMITTEES

7. Discretionary Rate Relief	(Pages 61 - 80)	Sue Cressall Tel: 01732 227041
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|-----|--|-------------------|---------------------------------------|
| 8. | Scrap Metal Dealer Licence Fees 2024 - 25 | (Pages 81 - 88) | Sharon Bamborough
Tel: 01732227325 |
| 9. | Licensing - Review of Pre-application advice and other Admin fees | (Pages 89 - 96) | Sharon Bamborough
Tel: 01732227325 |
| 10. | Financial Monitoring 2023/24 - to the end of November 2023 | (Pages 97 - 130) | Alan Mitchell
Tel: 01732227483 |
| 11. | Property Investment Strategy Update | (Pages 131 - 160) | Adrian Rowbotham
Tel: 01732 227153 |



 Indicates a Key Decision

 indicates a matter to be referred to Council

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.

CABINET

Minutes of the meeting held on 14 December 2023 commencing at 7.00 pm

Present: Cllr. Perry Cole (Vice Chairman in the Chair)

Cllrs. Dyball, Maskell, McArthur and Reay

An apology for absence was received from Cllr. Thornton

Cllrs. Bulford, Clayton, Esler, Grint, Harrison, Robinson, Roy, Streatfeild, White and Williams were also present.

51. Minutes

Resolved: That the Minutes of Cabinet held on 9 November 2023, be approved and signed by the Chairman as a correct record.

52. Declarations of interest

Cllr Dyball declared for Minute 57 that she was the local member but remained open minded.

Cllr Perry Cole declared for Minute 57 that he was the County Member for Swanley and had not been involved in discussions.

53. Questions from Members (maximum 15 minutes)

In response to a question regarding a consultation on Violence Against Women and Girls, Members were advised that the consultation opened on 27 November and ran until 7 January 2023. As well as responses from women and girls, it would also give men and boys the opportunity to respond as well to share their views.

Questions were asked regarding the Public Spaces Protection Order in Halstead. In response to questions Members were advised that it was important that all residents possibly effected responded to the consultation, if agreed. The work was undertaken with both Kent Police, Met Police and Bromley Council.

In response to questions regarding the local plan, housing needs assessment and exception sites, Members were advised that a full written response would be provided.

54. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees (if any)

a) Allocation of Community Infrastructure Levy (CIL) Contributions to Local and Strategic Infrastructure Projects

Members considered the recommendations from the Community Infrastructure Levy (CIL) Spending Board.

The Chairman of the CIL Spending Board was delighted that the Board had been able to make recommendations for approval of all the projects which covered a wide range of projects within the District.

Public Sector Equality Duty

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

Resolved: That

A. i) That the £250,000 applied for, as set out in the report, for the scheme “Sevenoaks Wildlife Reserve redevelopment project” be approved on the following grounds:

- Strong social, economic and environmental benefits to the community;
- Strong link between new development and the scheme;
- Good partnership working;
- Significant public benefit;
- Clear evidence to show that the scheme will be delivered;
- Strong local support;
- The scheme contributes towards the Council’s commitment to tackling climate change.

This should be subject to a legal agreement being signed within 6 months of the decision date (or such further time as may be agreed between the parties) which shall require as condition of payment that:

- Funding for the entire project has been secured.

ii) If the legal agreement is not signed in accordance with the above, then the funding applied for would be refused, for:

- Without a legal agreement the bid would fail to ensure the effective management of CIL funds; and
- Without a legal agreement to secure where the CIL money is spent the bid would fail to ensure sufficient certainty that the scheme will be delivered as applied for.

B. i) That the £209,000 applied for, as set out in the report, for the scheme “Public Rights of Way Improvements” be approved on the following grounds:

- Strong social, and environmental benefits to the community;
- Strong link between new development and the scheme;
- Significant public benefit;
- Clear evidence to show that the scheme will be delivered;
- Strong local support;

- The scheme does not already benefit from CIL funding;
- The scheme contributes towards the Council’s commitment to tackling climate change.

This should be subject to a legal agreement being signed within 6 months of the decision date (or such further time as may be agreed between the parties) which shall require as condition of payment that:

- Written confirmation that the required consents for each tranche are secured before the transfer of the CIL funds.

ii) If the legal agreement is not signed in accordance with the above, then the funding applied for would be refused, for:

- Without a legal agreement the bid would fail to ensure the effective management of CIL funds; and
- Without a legal agreement to secure where the CIL money is spent the bid would fail to ensure sufficient certainty that the scheme will be delivered as applied for.

C. i) That the £25,000 applied for, as set out in the report, for the scheme “New sewerage connection at Swanley Park” be approved on the following grounds:

- Strong social, economic and environmental benefits to the community;
- The scheme is identified in an adopted strategy or plan;
- Significant public benefit;
- Clear evidence to show that the scheme will be delivered;
- Strong local support;
- The scheme contributes towards the Council’s commitment to tackling climate change.

This should be subject to a legal agreement being signed within 6 months of the decision date (or such further time as may be agreed between the parties) which shall require as condition of payment that:

- Funding for the entire project has been secured.

ii) If the legal agreement is not signed in accordance with the above, then the funding applied for would be refused, for:

- Without a legal agreement the bid would fail to ensure the effective management of CIL funds; and

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- Without a legal agreement to secure where the CIL money is spent the bid would fail to ensure sufficient certainty that the scheme will be delivered as applied for.

D. i) That the £17,000 applied for, as set out in the report, for the scheme “West Kingsdown Village Hall Car Park” be approved on the following grounds:

- Strong social benefit to the community;
- Good partnership working;
- Significant public benefit;
- Funding maximised from other sources;
- Clear evidence to show that the scheme will be delivered;
- Strong local support;
- The scheme does not already benefit from CIL funding.

This should be subject to a legal agreement being signed within 6 months of the decision date (or such further time as may be agreed between the parties) which shall require as condition of payment that:

- Funding for the entire project has been secured.

ii) If the legal agreement is not signed in accordance with the above, then the funding applied for would be refused, for:

- Without a legal agreement the bid would fail to ensure the effective management of CIL funds; and
- Without a legal agreement to secure where the CIL money is spent the bid would fail to ensure sufficient certainty that the scheme will be delivered as applied for.

E. i) That the £787,500 applied for, as set out in the report, for the scheme “Greatness community pavilion” be approved on the following grounds:

- Strong social, economic and environmental benefits to the community;
- Strong link between new development and the scheme;
- Good partnership working;
- The scheme is identified in an adopted strategy or plan;
- Significant public benefit;
- Funding maximised from other sources;
- Clear evidence to show that the scheme will be delivered;
- Strong local support;
- The scheme contributes towards the Council's commitment to tackling climate change.

This should be subject to a legal agreement being signed within 6 months of the decision date (or such further time as may be agreed between the parties) which shall require as condition of payment that:

- Funding for the entire project has been secured.

ii) If the legal agreement is not signed in accordance with the above, then the funding applied for would be refused, for:

- Without a legal agreement the bid would fail to ensure the effective management of CIL funds; and
- Without a legal agreement to secure where the CIL money is spent the bid would fail to ensure sufficient certainty that the scheme will be delivered as applied for.

F. i) That the £20,000 applied for, as set out in the report, for the scheme "Harvestfield Park play facilities improvement" be approved on the following grounds:

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- Strong social benefit to the community;
- Strong link between new development and the scheme;
- The scheme is identified in an adopted strategy or plan;
- Significant public benefit;
- Clear evidence to show that the scheme will be delivered;
- Strong local support;
- The scheme does not already benefit from CIL funding.

This should be subject to a legal agreement being signed within 6 months of the decision date (or such further time as may be agreed between the parties) which shall require as condition of payment that:

- Funding for the entire project has been secured.
- Should the total budget not come to the £20,000 as applied for, then the unspent money would be returned to the Council.

ii) If the legal agreement is not signed in accordance with the above, then the funding applied for would be refused, for:

- Without a legal agreement the bid would fail to ensure the effective management of CIL funds; and
- Without a legal agreement to secure where the CIL money is spent the bid would fail to ensure sufficient certainty that the scheme will be delivered as applied for.

55. Budget Update

The Portfolio Holder for Finance & Investment presented the report which was stage 3 of the of the 2024/25 budget setting process, following all six Advisory Committees and giving all Members the opportunities to contribute their ideas to the process. The report set out that the annual budget gap had reduced from £1.368m which was in the Financial Prospects Report, to £656,000 if all of the SCIA's were approved or £994,000 if they were not.

Although significant progress had been made in reducing the budget gap, further work was still required and it was proposed that Cabinet provided officers with a steer as to the areas to focus on to deliver the remaining savings required.

The Chief Officer Finance & Trading further advised that he was pleased to report that the Advisory Committees had supported all of the SCIA's that were presented to them, and discussed other proposals put forward by Members. It was agreed that only one should be put forward to Cabinet, to increase the maximum council tax which could be charged on an unoccupied property. This was already in the budget proposals and so no decision was required.

There remained a number of risks in the budget which included, the April 2024 pay award, increased to 3% but it may need to increase further and each 1% increase impacted the budget by about £200,000, business rates that could be financially positive, but there could be an impact on Council Tax income due to the less than expected number of properties that had been built.

The next budget update would be presented in January and would result in a revised budget position so that any changes could be made prior to the Council Tax setting report to Cabinet and Council in February.

The Cabinet discussed Appendices D and E and there was no dissent from those listed. Noting that appendix F put forward by the advisory committee had already been included in the budget there was no further discussion. The Portfolio Holders suggested there were areas their Chief Officers could look into for further savings and or income.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the public sector equality duty.

Resolved: that

- a) the comments and recommendations of the Advisory Committees regarding the growth and savings/additional income proposals (SCIA's) listed in Appendix D and detailed in Appendix E, be noted.
- b) that no further action be taken on the further growth and savings/additional income suggestions put forward by the Advisory Committees listed in Appendix F
- c) that officers look for further savings/additional income options focused on the following areas:
 - service delivery for community mobilisation,

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- grants and contracts to outside bodies,
- investment receipts,
- business rates inflationary impact.
- Also to continue working on areas recently raised by Members including procurement and consultancy. But recognising that these may not have an immediate financial impact

56. Infrastructure Funding Statement (IFS) Priorities

The Portfolio Holder of the Development & Conservation Advisory Committee presented the report which set out the priorities within the annual Infrastructure Funding Statement (IFS), and updated the committee on how recent developer contributions had been spent. The IFS was an annual requirement within CIL legislation, requiring the Council to set out the income and expenditure from CIL and s106 over the last financial year, and the types of infrastructure the Council intended to fund in the coming year. He advised that the Development & Conservation Advisory Committee had considered in detail the IFS and supported the recommendations to Cabinet.

The officer outlined the evidence base considered in the formation of the proposed priorities. The emerging Local Plan was an important consideration, to ensure that growth was supported and the impact of new developments was considered. The Infrastructure Delivery Plan (IDP) was also an important consideration. Statements based on ongoing engagement with infrastructure providers, as part of the Local Plan process, were produced in 2022 and 2023.

The proposed priorities for the coming year were largely unchanged, with some refinements based on ongoing engagement with infrastructure providers. These included more specific education and health & social care provisions, needed to support growth within the Local Plan. Members were reminded that the priorities within the IFS were not binding, but provided transparency to developers and communities regarding infrastructure-funding intentions.

Public Sector Equality Duty

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

Resolved: That

a) the criteria for prioritising infrastructure projects as set out below remain

- The project should fall within the infrastructure types/projects identified in the IFS report.
- The project has been identified in the IDP. (This ensures that the infrastructure prioritised supports the Local Plan).

- The project supports and is clearly related to proposed site allocations or new development in the District. There is a strong link between development and the proposed project.
- There is a strong social, environmental or economic justification for the proposed project.
- The project has not previously received CIL funding.
- The project has support from infrastructure providers.
- There is an existing need for the project, or it will be expected to be delivered within the next 5 years.
- That it is identified as having a critical or high need, where the project has to be delivered to support new development.
- There are no significant issues with funding or landownership.
- Where there is a clear plan as to how the project would be funded.

and

- b) the specific projects and types of infrastructure recommended in paragraphs 21-33 of this report (Highways and Transport, Utilities, Health & Social Care, affordable housing, Corporate priorities, education, and broadband) be identified in the IFS as having a priority for full or partial funding.

57. Swanley Neighbourhood Plan Regulation 16 Consultation

The Portfolio Holder of Development & Conservation presented the report, which updated the committee on the progress of the Swanley Neighbourhood Plan, and set out Council's proposed response to the ongoing Regulation 16 Consultation. The Development & Conservation Advisory Committee supported the recommendations.

The consultation began on 30 November and would run until 11 January 2024. The Council's comments reflected the need for the Neighbourhood Plan to be aligned with the council's existing policies, and the emerging Local Plan. The draft response did not yet include comments from officers across the council; these would be agreed with the Portfolio Holder, along with any feedback from the committee process. However the Leader of the Swanley Town Neighbourhood Plan Steering Group had had sight of the response.

Public Sector Equality Duty

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

Resolved: That

- a) the proposed representation to the Swanley Neighbourhood plan, be approved; and

- b) The Portfolio Holder for Development & Conservation, be delegated authority to agree the final representation, including any amendments raised by Officers.

58. Economic Development Strategy Update

Members considered the report which set out the first annual progress update on the five year strategy which was aligned with the UK SPF programme and dictated focus for initial activity. The strategy had no additional funding associated therefore funding availability and opportunities for partnership working was maximized.

The Economic Development Officer advised that the key achievements and that supporting local economy was at the heart of the work undertaken through a variety of means and flexibility within the framework to adapt to external circumstances and opportunities had allowed for successful delivery this year and set a framework for future years.

Appendix A set out the positive progress with 86% of actions either green or amber. 9% of actions had not yet commenced and would in future years. For the 5% that were currently red, work was continuing to bring forward solutions and it was hoped to progress towards Amber prior to completion.

Members discussed the report.

Resolved: That the report be noted.

59. UK Shared Prosperity Fund update

Members considered the report which updated Members on the monitoring of the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF).

The Economic Development Officer advised Members that the programme was subject to extensive Government led monitoring processes and to date all reports submitted had been approved and no concerns raised regarding delivery. The scheme reported focuses on interventions outcomes and outputs against the ambitious programme of 15 project areas including both Capital and Revenue spend. The programme reflected on the council's commitment to deliver as much as possible within the limited funding provided and to maximize the Economic Development Strategy activity to work alongside the activity.

Appendix A provided a summary of projects and an overview of activity and to date there were no concerns about achievability. The funding had allowed additional staffing resource, and a number of grant schemes had been delivered. This included both business, rural and community grants as well as support for Town's and Parish Councils across the District. Some programmes had been delivered with

neighbouring West Kent authorities, and where this took place all Sevenoaks funding was distributed to Sevenoaks recipients.

The progress to date had been positive and there was more activity proposed to be delivered in the final year of the scheme, including people and skills project which was allocated to the final year of the programme.

In response to questions, Members were advised that the eligibility for funding was set by DEFRA and there had been no ability to challenge. There were other funding schemes which rural areas could apply for if they did not fall within the scheme and Officers would signpost to these.

Resolved: That the report be noted.

60. Pest Control Service Review

The Portfolio Holder presented the report which proposed the termination of the pest control service, which was a non-statutory services operating at a market share of below 2%. The Cleaner & Greener Advisory Committee had considered the same report and recommended to Cabinet that option two be agreed.

In 2022/23, only 348 domestic jobs were completed by a single officer who provided the service including free telephone advice but it meant that there was very little resilience. The council would work with the British Pest Control Association to source local accredited suppliers, to ensure that residents were able to access local businesses.

Members discussed the report.

Public Sector Equality Duty

Members gave consideration to impacts under the public sector equality Duty.

Resolved: That option 2, to cease the service as detailed in paragraphs 26 - 29 of the report be agreed.

61. Cess Pool service Review

The Portfolio Holder for Cleaner & Greener presented the report, which set out the service review of the cess pool emptying service, and recommended its termination. This was a non-statutory service for domestic and commercial customers, and had historically struggled to generate profit, despite frequent usage. The service was unable to secure profitable jobs in competition with the private sector. The service consisted of a single cesspool tanker, one driver, and one operator. The Cleaner & Greener Advisory Committee had considered the same report and supported recommendation two to Cabinet.

The Head of Direct Services explained that a pre-MOT test investigation had shown that the tanker would fail in nearly every area, and would require significant investment to remain operable.

In response to questions, the Head of Direct Services explained that there were a number of private cesspool services within the district, so the termination of the service would not negatively impact existing customers. Communications would be issued to existing customers to help them migrate to new providers. These would focus on promoting local services.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the public sector equality duty.

Resolved: That Option 2 - Cease the Cesspool Service, as detailed in the report, be approved.

62. Public Spaces Protection Order - The Vine Consultation Response & Order

The Portfolio Holder presented the report, which outlined the consultation responses regarding the proposed Public Spaces Protection Order for The Vine, Sevenoaks. The consultation ran from 14 August to 24 September 2023, and was sent to four schools within the district, and to selected schools in Tunbridge Wells and Tonbridge. 253 responses were received in total. 83.4% of respondents supported bringing in an Order prohibiting engaging in anti-social behaviour (ASB) and returning to the area within 24 hours after being asked to leave. Laura Trott MP had written to the Portfolio Holder in support of the PSPO. The People & Places Advisory Committee had considered the same report and supported the recommendations to Cabinet.

The Health and Communities Manager brought Members' attention to the results of the consultation within Appendix A to the report. Work was ongoing to help more reports be made to the Police and Community Safety Unit, to allow ASB to be recorded and addressed quickly. The PSPO would stand for 3 years, and would be reviewed after 2 years. As the land was owned by the Town Council it required their agreement which had been given. The PSPO had been created in partnership with the Town Council, Police and other partners and would be managed and maintained in conjunction with them. A task and finish group for the next steps of implementation had been agreed.

Members discussed the report.

Public Sector Equality Duty

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

Resolved: That

- a) The contents of the report and the outcome of the statutory 6 week public consultation be noted; and

- b) the implementation of a Public Spaces Protection Order (PSPO) and its two measure to address ASB at the Vine, Sevenoaks and surrounding grass areas for a period of up to 3 years, with effect from 5 February 2024, be approved.

63. Public Spaces Protection Order - London Road, Halstead, Orpington By Pass Badgers Mount And The M25 Spur Road

The Portfolio Holder for People & Places presented the report which proposed a four-week consultation regarding a public spaces protection order for London Road, Halstead, Orpington Bypass Badgers Mount and the M25 spur road. This PSPO would last for 3 years and would address, among other issues, the blocking of the road with car meets. This had been developed by officers from the council, Kent Police, Met Police, and Bromley Council working in partnership, as the issue was centred on the border between Sevenoaks and Bromley. Laura Trott MP had written to the Portfolio Holder indicating her support for the order. The report had been considered by the People & Places Advisory Committee which had supported the recommendation to Cabinet.

If approved by Cabinet, the consultation would begin on 28 December and run for four weeks. The survey would be targeted to local residents most affected by the issue. It would provide an opportunity to gather facts, areas of proposals and for residents to give their views.

Members discussed the report.

Public Sector Equality Duty

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

Resolved: That the consultation be approved.

64. Citizen's Advice Service Level Agreement 2024-2027

The Portfolio Holder for People & Places presented the report which set out the proposed Service Level agreement for Citizen's Advice in the district, as the current agreement would end on 31 March 2024. This had been agreed by the Edenbridge & Westerham and Sevenoaks & Swanley Citizen's Advice groups. The agreement was largely identical to the current SLA, with the exception that should the funding for the agreement be affected, Citizen's Advice would be notified.

The officer outlined the work that Citizen's Advice undertook in the district, addressing complex cases in a wide range of areas. Officers were updated on their cases in monthly meetings, and an annual meeting was held between Citizen's Advice, officers, and the Portfolio Holder.

Public Sector Equality Duty

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

Resolved: That the draft Service Level Agreement for 2024 - 27 be approved.

65. Interim Leisure Operator Monitoring Report

The Portfolio Holder for People & Places presented the report which set out the proposed Service Level agreement for Citizen's Advice in the district, as the current agreement would end on 31 March 2024. The work that Citizen's Advice undertook in the district, addressed complex cases in a wide range of areas. The SLA had been agreed by the Edenbridge & Westerham and Sevenoaks & Swanley Citizen's Advice groups. The agreement was largely identical to the current SLA, with the exception that should the funding for the agreement be affected, Citizen's Advice would be notified. The People & Places Advisory Committee supported the recommendation to Cabinet.

Members discussed the report.

Public Sector Equality Duty

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

Resolved: That the draft Service Level Agreement for 2024 - 27 be approved.

IMPLEMENTATION OF DECISIONS

This notice was published on 18 December 2023. The decisions contained in Minute 55, 57, 58, 59 and 65 take effect immediately. The decisions contained in Minute 54, 56, 60, 61, 62, 63, and 64 take effect on 28 December 2023.

THE MEETING WAS CONCLUDED AT 8.20 PM

CHAIRMAN

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BUDGET UPDATE 2024/25

Cabinet – 18 January 2024

Report of: Deputy Chief Executive and Chief Officer – Finance and Trading

Status: For Decision

Key Decision: No

Executive Summary:

The Council has an excellent track record in identifying, planning for and addressing financial challenges. The 10-year budget method provides the Council with a stable basis for future years.

This report sets out progress made in preparing the 2024/25 budget and updates Members on key financial information.

Significant work has taken place since the last Budget Update was presented to Cabinet on 14 December 2023 when there remained an annual budget gap of £656,000.

The position in this report shows a balanced 10-year budget if the additional SCIA's included in this report are accepted (£107,000 if they are not accepted). Assumptions will continue to be reviewed as more information becomes available.

The Cabinet will make its final recommendation on the budget on 8 February 2024, after taking into account any updated information available at that date.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Adrian Rowbotham, Ext. 7153

Alan Mitchell, Ext. 7483

Recommendation to Cabinet:

- (a) Consider the savings proposals (SCIAs) listed in Appendix D and detailed in Appendix E and decide whether to support each SCIA being included in the budget.
- (b) Depending on the budget position following the recommendation above, provide officers with any further instructions.

Reason for recommendation: It is important that consideration is given to proposed changes to the budget that directly affect services whilst ensuring that the council continues to deliver a balanced 10-year budget position.

Introduction and Background

- 1 At the Cabinet meeting on 19 September 2023, Members considered a report setting out the Council's financial prospects for 2024/25 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 2024/25 and beyond.
- 2 It was mentioned in reports presented as part of the 2023/24 Budget Setting Process that it was highly likely that additional savings/income would be required as part of the next budget process. An 'Early Indications' report was presented to FIAC and Cabinet earlier in the summer which identified the areas that could have a significant financial impact on the Council.
- 3 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between October and December, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which were considered by Cabinet in December.

Financial Strategy

- 4 The Council's financial strategy continues to aim for long-term financial health and continues to work towards improving financial sustainability. It has been successful through the use of a number of actions 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.
 - an emphasis on statutory rather than non-statutory services.

- 5 A summary of the Financial Strategy can be found at **Appendix F**.
- 6 Over this period, the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 7 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is possible that more accurate data will become available and current assumptions may need to be updated.

10-year Budget

- 8 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the immediate 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, which ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 9 It should not be forgotten that £8.8m of savings have been made since 2011/12. **Appendix C** 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. This has allowed the Council to deliver a 10-year balanced budget.

Financial Self-Sufficiency

- 10 With the Revenue Support Grant provided by Government having ceased from 2017/18 it is important that the council remains financially self-sufficient by having 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.
 - generating more income.
- 11 This Council's approach to budgeting has been recognised by the sector as being exceptional which resulted in it being the winner of the CIPFA Public Finance Innovator of the Year Award in 2017.
- 12 The Local Government Association's Corporate Peer Challenge in December 2021 also commented that 'Sevenoaks District Council takes a long-term view of financial planning with a focus on self-sufficiency. The council's 10-year budget is innovative, an example for the sector and supports long-term decision making.

Review of the 10-year Budget Process

- 13 An audit of the 10-year budget process was completed by Mazars (working for Internal Audit) in 2021 and their findings were that the Council has adequate,

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effective and reliable controls in place over budget setting and long-term financial planning.

Financial Self-Sufficiency

- 14 The Council's Corporate Plan 2013-2018 set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. The current Council Plan aims to continue with this approach. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 15 This approach was adopted in response to the financial challenges the Country was faced with in bringing its public spending down to ensure it was 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 receiving no Revenue Support Grant from 2017/18.
- 16 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.
- 17 The Local Government Association's Corporate Peer Challenge in December 2021 commented that 'Sevenoaks District Council takes a long-term view of financial planning with a focus on self-sufficiency. The council's 10-year budget is innovative, an example for the sector and supports long-term decision making. This extended financial framework provides an excellent platform which has supported effective budget management and planned, long-term, decision making.'
- 18 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no additional Revenue Support Grant funding 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.
- 19 In 2023/24 the government rolled two grants into the Revenue Support Grant which are shown as 'Govt Support: Rolled in grants' on the attached 10-year budget. This Council continues to receive no Revenue Support Grant through the Government formula.
- 20 Cabinet are keen to remain financially self-sufficient which has served the Council well and ensured it is one of the most financially stable local authorities in the country. 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 need into the future.

Changes since the Budget Update report to Cabinet on 14/12/23

- 21 At the last Cabinet meeting, there remained an annual budget gap of £656,000. The Portfolio Holders suggested areas where Chief Officers could look into for further savings and or income.
- 22 It was also recognised that other assumptions would continue to be reviewed as more information became available such as the Provisional Local Government Finance Settlement.

Provisional Local Government Finance Settlement

- 23 The Government announced the **Provisional Local Government Finance Settlement (LGFS) for 2024/25** on 18 December 2023. The settlement included details on the following items and figures in the 10-year budget have been updated where relevant:
- 24 **Council Tax** – the referendum limit for 2024/25 has been set at the higher of an increase of 3% or £5. An increase of 2.97% (£7.02 for a Band D property) had previously been assumed so no change has been made. The assumption remains at 2% for later years.

2024/25 Council Tax	Current Assumption
2023/24 £ (Band D pa)	£236.70
% increase	2.97%
£ increase (Band D pa)	£7.02
£ (Band D pa)	£243.72

- 25 Due to the uncertainty of future Council Tax increase referendum limits, if maximum increases are not taken there will be an ongoing detrimental impact on the ability to increase Council Tax in future years.
- 26 **Government grants** – figures in the settlement differed from those previously assumed and are included in the 10-year budget for 2024/25 only:
 - Funding Guarantee (£1.384m) - This grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in core spending power that is lower than 3%, before taking into account (i) council tax level decisions and (ii) changes to funding from rolled in grants. The minimum 3% increase is the same as 2023/24. This increase is largely due to the reduction in New Homes Bonus (NHB) from £184,000 to £14,000. NHB is not included in the 10-year budget.

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- Services Grant (£15,000) – This grant is determined based upon the resources DLUHC has left after decisions on all other grants. For 2024/25 it has significantly reduced.
 - Rolled in Grants (£198,000) – Revenue Support Grant (RSG) is a formula based grant that has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council has received no RSG since 2017 and was not expected to receive any in future years. The LGFS for 2023/24 did include RSG for this council but the reason for this is that a number of previously separate grants have been rolled into RSG. For this council they are 'Local Council Tax Support Subsidy' and 'Family Annexe Council Tax Discount Grant'.
- 27 **Business Rates Retention** – the increase in the amount councils retain from Business Rates is increased by the CPI in the previous September which was 6.7%.
- 28 Previously it has been assumed in the 10-year budget that Business Rates Retention would be at the 'Safety Net Level'. As actual Business Rates retained are above that level, the assumption has been changed to the higher 'Baseline Funding Level'. The following two items are in addition to this.
- 29 Any increased Business Rates retained in 2024/25 due to being linked to the Kent and Medway Business Rates Pool has been included in the budget rather than it being transferred to the Budget Stabilisation Reserve as in most previous years. Nothing from the pool has been assumed in later years.
- 30 It was announced, as part of the Autumn Statement 2023, that the small business rates multiplier for 2023/24 will remain frozen at 49.9p and there will be an increase to the standard rate multiplier of 6.7% (from 51.2p to 54.6p). This approach to applying inflation requires authorities to be compensated for the inflation increase lost to the small business rates multiplier element of their taxbase. This is called 'Safety Net and Under indexing Compensation'. It has been assumed that this will continue until 2025/26 when a Business Rates Reset may take place.
- 31 The Final Local Government Finance Settlement is due to be announced in February.

Other Changes

- 32 Other changes made since Cabinet on 14/12/23 include the following:
- 33 **Pay** – previously an estimated figure was included for the additional cost of the April 2023 pay award, an adjustment has now been made to reflect the actual cost. The original assumption for the April 2024 pay award was 2% but this was increased to 3% earlier in the budget process. The view nationally is that the pay award may be higher therefore it has now been increased to 4%. It remains at 2% for later years.

- 34 **Council Tax Base** – the tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing change in the number of Council Tax discounts awarded. The tax base increase in 2024/25 is less than previously assumed. This is largely due to a lower number of new properties built.
- 35 **Property Investment Strategy** – following a review of the current assets held, this budget has been brought back close to the original assumptions.
- 36 **Council Tax Long Term Empty Premiums and Second Home Premiums** - the Regeneration & Levelling Up Act has passed through Parliament and included two important changes to council tax, as follows:
- a) A change in the application of a council tax premium on ‘long term empty’ dwellings. Currently, if a property has been unoccupied and unfurnished for 2 years but less than 5 years, then a 100% council tax premium can be applied to the property. The Act allows this to be shortened from 2 years to 1 year. ‘Long term empty’ premiums are applied to encourage owners to bring properties back into use, so they are not left empty for extended periods. This change can be implemented from 1 April 2024.
 - b) The implementation of a council tax premium on ‘second homes’. ‘Second homes’ are properties which are unoccupied but furnished. The Act enables local authorities to apply a 100% council tax premium on second homes. This would mean an owner of a second home in the district would pay double the normal council tax charge. This change can be implemented from 1 April 2025.
- 37 These changes were approved at the Council meeting on 9 February 2023. The assumed increases in Council Tax income from these changes have been updated based on the current number of properties that fall into these categories.
- 38 **Interest Receipts** – assumptions have been increased based on current income levels but recognising expected reduced interest rates and available balances in future years.
- 39 **Fees and Charges** – following the detailed review of fees and charges and the changes in the Town and Country Planning Act in December, Planning fees will be increased resulting in additional income.
- 40 **Manager approved changes** – managers have agreed a range of savings that do not require Member approval.

Current 10-year Budget Position

- 41 All changes to the budget since the Financial Prospects and Budget Strategy report are listed in **Appendix D**. These include the changes detailed above. These changes are also included in the 10-year budget set out in **Appendix B**.

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This shows an annual budget gap of £107,000. **If the additional SCIA's are accepted, the annual budget gap reduces to nil.**

- 42 The savings proposals are also listed in **Appendix D** and a Service Change Impact Assessment (SCIA) for each proposal is included in **Appendix E**.

The Way Forward

- 43 If all of the SCIA's are not accepted, further savings will be required to set a balanced 10-year budget.
- 44 Assumptions will continue to be reviewed as more information becomes available and the Final Local Government Finance Settlement (LGFS) for 2024/25 is due to be announced in February which may result in further changes to the 10-year budget.
- 45 The following reports will be presented to the Finance and Investment Advisory Committee on 11/01/24 with either a separate report or the details included in the budget settling report to Cabinet and Council in February:
- Treasury Management Strategy 2024/25
 - Property Investment Strategy Update
 - Capital Programme and Asset Maintenance 2024-27
 - Risks and Assumption for Budget 2024/25
 - Fees and Charges
- 46 A review of reserves will also be included in the budget report in February.
- 47 The Cabinet will make its final recommendation on the 2024/25 budget at its meeting on 8 February 2024, after taking account of the latest information available at that date. The Budget and Council Tax Setting report will then be presented to Council on 20 February 2024.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

It is a requirement for the Council to set a balanced budget, failure to be able to do so could result in a S.114 notice being issued by the S.151 Officer. There is currently no

expectation that the Council would be required to be in that position. The 10-year budget approach provides adequate flexibility to manage most circumstances, subject to sufficient savings being identified and implemented, and the ongoing effective and prudent management of the Council's finances.

An effective integrated policy and priority driven long-term financial and business planning 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.

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

A separate Risks and Assumptions report will be presented to the Finance and Investment Advisory Committee and included in the Budget Setting report to Cabinet and Council.

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.

Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030.

Individual net zero implication assessments have been completed for all Service Change Impact Assessments (SCIAs).

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Conclusions

The Financial Strategy and 10-year budget process have ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult challenges that it has faced. They have also helped to ensure that the Council is well placed in dealing with more immediate and longer-term challenges.

By becoming financially self-sufficient at an early stage, this Council has become much more in control of its own destiny.

The attached 10-year budget shows that this Council is aiming to continue to be financially stable going into the future with a level of assurance that any council would aspire to. However, with a range of issues impacting the council's finances, this is the most challenging budget process this Council has faced for many years.

The Council aims to continue to provide value for money services to a high standard ensuring that the decisions made lead to an achievable 10-year budget. Members will need to consider the impact on service quality, staff and well-being.

Appendices

Appendix A – Budget Timetable

Appendix B – 10-year Budget

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

Appendix D – Changes to the 10-year Budget

Appendix E - Service Change Impact Assessment forms (SCIAs)

Appendix F – Financial Strategy

Background Papers

Financial Prospects and Budget Strategy 2024/25 and Beyond – Cabinet 19
September 2023

Budget 2024/25: Review of Service Dashboards and Service Change Impact Assessments (SCIAs): Development and Conservation Advisory Committee 31 October 2023, Finance and Investment Advisory Committee 2 November 2023, Housing and Health Advisory Committee 7 November 2023, Cleaner and Greener Advisory Committee 23 November 2023, People and Places Advisory Committee 30 November 2023, Improvement and Innovation Advisory Committee 5 December 2023

Budget Update 2024/25 – Cabinet 14 December 2023

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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2024/25 Budget Setting Timetable

Stage 1: Financial Prospects and Budget Strategy 2024/25 and Beyond

5 September – Finance & Investment AC

19 September – Cabinet

Stage 2: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

31 October – Development & Conservation AC

2 November – Finance & Investment AC

7 November – Housing & Health AC

23 November – Cleaner & Greener AC

30 November – People & Places AC

5 December – Improvement & Innovation AC

Stage 3: Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)

14 December – Cabinet

Stage 4: Budget Update

18 January - Cabinet

Stage 5: Budget and Council Tax Setting Meeting (Recommendations to Council)

8 February - Cabinet

Stage 5: Budget and Council Tax Setting Meeting (incl. Council Tax setting)

20 February – Council

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

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Ten Year Budget - Revenue

Appendix B

	Budget 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	17,297	18,533	20,894	18,521	18,740	19,327	19,830	20,287	20,979	21,495	22,225
Inflation	1,188	1,679	568	576	585	596	607	617	627	640	650
Superannuation Fund deficit	(270)	0	0	50	0	0	0	0	0	0	0
Net growth/(savings) (approved in previous yrs)	319	(1,115)	(253)	(272)	58	7	0	75	(111)	90	18
New growth	0	3,099	(2,376)	(150)	0	0	0	100	100	100	100
New savings/Income	0	(1,303)	(312)	15	(56)	(100)	(150)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	18,533	20,894	18,521	18,740	19,327	19,830	20,287	20,979	21,495	22,225	22,893
Financing Sources											
Govt Support: Rolled in grants	(186)	(198)	0	0	0	0	0	0	0	0	0
: Funding Guarantee	(912)	(1,384)	0	0	0	0	0	0	0	0	0
: Services Grant	(90)	(15)	0	0	0	0	0	0	0	0	0
Council Tax	(12,229)	(12,768)	(13,309)	(13,759)	(14,221)	(14,697)	(15,186)	(15,691)	(16,208)	(16,740)	(17,214)
Business Rates Retention	(2,868)	(3,228)	(3,018)	(2,543)	(2,572)	(2,603)	(2,634)	(2,665)	(2,719)	(2,774)	(2,830)
Collection Fund Deficit/(Surplus)	(216)	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(288)	(532)	(432)	(400)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Property Investment Strategy Income	(1,618)	(1,724)	(1,724)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)
Contributions to/(from) Reserves	(131)	(2,215)	398	398	398	398	398	398	398	370	331
Total Financing	(18,538)	(22,064)	(18,085)	(18,053)	(18,444)	(18,951)	(19,471)	(20,007)	(20,578)	(21,193)	(21,762)
Budget Gap (surplus)/deficit	(5)	(1,170)	436	687	883	879	816	972	917	1,032	1,131
Contribution to/(from) Stabilisation Reserve	5	114	(371)	(370)	(580)	(636)	(638)	(751)	(674)	(765)	(841)
Unfunded Budget Gap (surplus)/deficit	0	(1,056)	65	317	303	243	178	221	243	267	290
Cumulative Unfunded Budget Gap (surplus)/deficit											1,071

Assumptions

Business Rates Retention:	Baseline Funding Level' is the main basis. Also 'Updated safety net and underindexing compensation' is included until 25/26 when a Business Rates reset may take place. Business Rates Retention Pool income is included for 24/25 only.
Council Tax:	3% in 24/25, 2% in later years
Council Tax Base:	Increase of 730 Band D equivalent properties per annum
Interest Receipts:	£532,000 in 24/25, £432,000 in 25/26, £400,000 in 26/27 and £300,000 in later years. Based on reducing interest rates and available balances.
Property Investment Strategy:	£1.724m from 24/25, £1.749m from 26/27
Pay award:	4% in 24/25, 2% in later years
Other costs:	2.25% in all years
Income:	2.5% in all years.

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Year	SCIA No.	Description	2011/12 - 2023/24 £000	2024/25 £000	Later Years £000	Total £000
		Cleaner and Greener Advisory Committee				
2021/22	-	Car Parking: assumed 25% reduction in 21/22 income improving by 5% per year	617	(206)	(411)	
2023/24	20	Env. Health: Air quality monitoring (reversal of temporary growth item)	22	(22)		
		Development and Conservation Advisory Committee				
2022/23	9	Development Management: additional application fee income (reversal of temporary savings item)	(25)	25		
		Finance and Investment Advisory Committee				
2023/24	21	Various: Utility Costs (reversal of temporary growth item)	180	(180)		
2023/24	22	Prop & Comm: Meeting Point Business Hub (reversal of temporary growth item)	60	(27)	(33)	
2023/24	-	Local Council Tax Support Admin Subsidy (rolled into RSG)	111	(111)		
		Housing and Health Advisory Committee				
2022/23	1	Housing: Temporary accommodation (reversal of temporary growth item)	300	(300)		
2023/24	1	Housing: Temporary accommodation occupation charge (reversal of temporary growth item)	36	(36)		
		Improvement and Innovation Advisory Committee				
2023/24	1	Apprenticeship Levy (reversal of temporary growth item)	55	(55)		
		People and Places Advisory Committee				
2022/23	-	New White Oak Leisure Centre	216	(205)	(11)	
2023/24	11	Health & Communities: Reduction in youth funding associated to removal of van (part reversal of savings item)	(6)	2		
		Minor movements between years			0	
		Other savings/additional income items completed in earlier years	(8,754)			
		Other growth items completed in earlier years	2,876			
		Total Savings/additional income	(8,785)	27	0	(8,758)
		Total Growth	4,473	(1,142)	(455)	2,876
		Net Savings	(4,312)	(1,115)	(455)	(5,882)

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	2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Growth: Additional Expenditure or Reduced Income				
Savings target built into budget	100	1,000	100	Annual savings assumption included in the 10-year budget.
April 2023 pay award (1/2)	760	8,322	832	Current employers offer would cost £750,000 in 2023/24.
April 2024 pay award (2% to 3%) (2/2)	188	2,060	206	Unknown but this reflects a 1% increase above the current assumption.
Apprenticeship levy	40	400	40	Current growth SCIA for £55,000 ends after 2023/24 but the Government scheme is expected to continue. Future growth item reduced to £40,000 as assumed £15,000 could be removed from staff training budget.
Utility costs	180	500	50	Current growth SCIA of £180,000 only included for 2023/24. Assume this increase reduces over time.
Property Investment Strategy (1/2)	150	1,500	150	Not currently achieving the budgeted income levels from properties held. A separate Property Investment Strategy Update report will be included in the budget process.
Direct Services	600	2,500	250	Agency staff required to deliver current service levels noting continuing high levels of refuse and recycling quantities. Vehicle costs and income issues should improve. Initially £600,000 but assumed that actions will be agreed to reduce future costs.
Homelessness	150	150	15	Current growth SCIA of £300,000 ends after 2023/24. A lot of work has been carried out so that the extra cost in 2024/25 is estimated to be reduced to £150,000 with further actions to remove the extra cost completely from 2025/26.
Leisure provider change	183	1,830	183	Initial estimate of 2 year interim provider of £1.83m (as per report to Council). Updates on operator performance will be provided during the budget process to provide a basis for revised figures. The amounts here reflect the reimbursement of the reserve.
Markets: new contracts from 01/04/23	77	5	1	New contracts from April 2024. Assumed that the number of stalls at Swanley Sunday market gradually increases.
Growth Total	2,428	18,267	1,827	
Savings: Reduced Expenditure or Additional Income				
Quercus 7 dividend	(10)	(100)	(10)	Increase from £50,000 to £60,000 from 2024/25. Scope to increase further but Q7 then unable to build funds for further investment.
Council Tax: Premium Unoccupied Properties (1/2)	(12)	(132)	(13)	Provisionally agreed by Council in February 2023. Starts on 01/04/24.
Council Tax: Second Homes Premium (1/2)	0	(591)	(59)	Provisionally agreed by Council in February 2023. Start delayed until 01/04/25 due to Government legislation requirements.
Fees and Charges	(200)	(2,000)	(200)	Implementation of review. Assume that this will deliver an additional £200,000 of income per annum after allowing for the inflation assumption.
Interest receipts (1/2)	(44)	(440)	(44)	This budget was increased by £100,000 for 4 years from 2023/24. Current receipts suggest that it can be increased further but note expected reduction in balances and fluctuations in interest rates.
Govt settlement: Funding Guarantee (1/2)	(912)	(912)	(91)	Latest suggestion from Government is that this funding will continue in 2024/25 only.
Govt Settlement: Services Grant (1/2)	(90)	(90)	(9)	Latest suggestion from Government is that this funding will continue in 2024/25 only.
Govt settlement: Rolled in Grants (1/2)	(75)	(75)	(8)	Latest suggestion from Government is that this funding will continue in 2024/25.
Business Rates Retention Pool	(250)	(250)	(25)	Include the expected extra retained income in 2024/25 only instead of transferring it to the Budget Stabilisation Reserve as has previously been the case.
Savings Total	(1,593)	(4,590)	(459)	
FINANCIAL PROSPECTS REPORT: NET TOTAL	835	13,677	1,368	

		2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Manager Approved Changes					
Electoral Services		(8)	(80)	(8)	Canvass – introduce e-comms and reduce postage costs
Staff Vacancy Pot Contributions		(70)	(700)	(70)	Regular over achievement -increase from £180k to £250k
Argyle Road		(15)	(150)	(15)	Stationery Review
Revenues & Benefits - Control Team		(8)	(80)	(8)	Removal of vacant post
Revenues & Benefits - Benefits		(9)	(90)	(9)	Reduction in agency staff budget
Revenues & Benefits - Benefits		(13)	(130)	(13)	Possible reduction in one Benefits Officer
FM		(35)	(350)	(35)	Reduction of 1 FM post (currently vacant)
FM		(16)	(160)	(16)	Reduction of 1 part time scanning post
FM		(6)	(60)	(6)	Argyle Road - Closing the building earlier at say 6pm when no committee meetings. Reduced energy and staffing costs.
FM		(4)	(40)	(4)	Shredding - found a new provider who is cheaper.
FM		(2)	(20)	(2)	Furniture - budget reduced
FM		(19)	(190)	(19)	MFDs (photo copiers) - reduced usage
IT		(9)	(90)	(9)	Mobile phones - new contracts
Direct Services - Waste & Recycling		(141)	(282)	(28)	Employ 10 permanent waste & recycling staff instead of agency staff - current service delivery requires higher staffing levels. This would reduce the expected overspend
Finance		(44)	(132)	(13)	Insurance - retender. £44,000 pa saving expected for the three year contract term.
Community Plan		(2)	(20)	(2)	Utilise internal resource rather than external consultants to monitor community plan
Youth		(4)	(40)	(4)	Reduce family fun days
Housing		(56)	(560)	(56)	Review of Structure
Housing		(3)	(30)	(3)	Annual rent review of Hever Road site
Property		0	(240)	(24)	The consolidation of our outsourced block management services
Print Studio (1/2)		(30)	(300)	(30)	Review of Print Studio services and resourcing
Manager Approved Changes Sub Total		(494)	(3,744)	(374)	
Service Change Impact Assessments (SCIA) - Supported by Cabinet 14/12/23					
	SCIA No.				
Direct Services - Refuse & Recycling	9	(100)	(1,000)	(100)	Black waste sacks - stop providing to residents
Direct Services - Refuse & Recycling	10	0	(1,773)	(177)	Recycling sacks - stop providing to residents, instead provide a bag for life. Stopping delivery of both types of sacks would also result in a staff saving
Direct Services - Cess Pools	8	66	660	66	This would remove the budgeted surplus but in reality remove the annual loss
Direct Services - Pest Control	7	45	450	45	This would remove the budgeted surplus but in reality remove the annual loss
Finance	4	(9)	(90)	(9)	Members travel - reduction (£15,000 budget, £6,000 spent in 22/23)
Community Development, Safety and Partnerships	5	(6)	(60)	(6)	Community activities and events, such as the Family Fun Days (and associated design and print costs) will be reduced in duration. Instead the team's focus will be on mobilising communities.
Grants & Support To Voluntary Bodies	6	(5)	(50)	(5)	Reduction in community grants available (from £45k pa to £40k). Grants will continue to range from £500 - £1k.
Env. Health	12	(16)	(160)	(16)	Air Quality Monitoring - Closure of the Bat & Ball AQ Station

		2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Env. Health	12	(16)	(160)	(16)	Air Quality Monitoring - Closure of the Greatness AQ Station
Customer Solutions	13	(30)	(300)	(30)	Reduce from 8am-6pm contact hours to 9am-5pm
SCIA Sub Total		(71)	(2,483)	(248)	
Fees and Charges (not part of the separate fees and charges work)					
SCIA No.					
Planning	1	(5)	(50)	(5)	Fast track LDC applications. Introduce a £500 charge for a guaranteed decision within 30 days
Planning	1	0	(400)	(40)	Fee income - increase in demand expected following adoption of the Local Plan (from 26/27)
Planning	1	0	(250)	(25)	Fee income - further increase in demand expected following adoption of the Local Plan (from 29/30)
Property	14	(20)	(200)	(20)	New fees and charges schedule
Fees and Charges Sub Total		(25)	(900)	(90)	
CABINET 14/12/23: NET TOTAL		245	6,550	656	
Corporate Changes					
Govt Settlement: Funding Guarantee (2/2)		(472)	(472)	(47)	Updated following Provisional Settlement
Govt Settlement: Services Grant (2/2)		75	75	8	Updated following Provisional Settlement
Govt Settlement: Rolled in Grants (RSG)(2/2)		(12)	(12)	(1)	Updated following Provisional Settlement
Business Rates Retention: changed from Safety Net Threshold to Baseline Funding Level in 24/25-25/26		(208)	(1,109)	(111)	Updated following Provisional Settlement. Change in basis due to current actual levels being higher than the safety net.
Business Rates Retention: Comp. for under indexing		(80)	(162)	(16)	Updated following Provisional Settlement
April 2023 pay award (2/2)		(38)	(418)	(42)	Updated for actual impact
April 2024 pay award (3% to 4%)(2/2)		212	2,311	231	Increased in line with latest expectations
Council Tax Base: Updated for CTB2 form		116	1,277	128	Based on actual change
Property Investment Strategy (2/2)		(246)	(1,679)	(168)	Based on latest rental amounts
Council Tax: Premium Unoccupied Properties (2/2)		(26)	(286)	(29)	Increased further based on latest figures
Council Tax: Second Homes Premium (2/2)		0	(437)	(44)	Increased further based on latest figures
Interest receipts (2/2)		(200)	(844)	(84)	Reviewed based on current levels and assumed reduced balances and interest rates in later years
Fees and charges (2/2)		(100)	(1,000)	(100)	A further £100,000 relating to Planning fees
Corporate Changes Sub Total		(979)	(2,756)	(276)	
Manager Approved Changes					
Staff Vacancy Pot Contributions (2/2)		(50)	(500)	(50)	Regular over achievement -increase from £180k to £250k to £300k
Print Studio (2/2)		(10)	(100)	(10)	Increase current proposed saving from £30k to £40k
FM		(40)	(400)	(40)	Review of service
GIS/Land Charges		(30)	(300)	(30)	Review of service
FM		0	(135)	(14)	Bring cleaning in house
Revenues & Benefits - Control Team		(13)	(130)	(13)	Staffing reduction
Direct Services - Parking		(54)	(108)	(11)	Parking and Environmental Enforcement restructure
Development Management		(35)	(350)	(35)	Loss of post

		2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Other small changes		(72)	(720)	(72)	
Manager Approved Changes Sub Total		(304)	(2,743)	(275)	
TOTAL (AS INCLUDED IN ATTACHED 10-YEAR BUDGET)		(1,038)	1,051	105	
Service Change Impact Assessments (SCIA) - Member decisions					
	SCIA No.				
Civic Expenses	15	0	(72)	(7)	Reduction in Chairman and Deputy Chairman allowances from 2025/26.
Direct Services - Street Cleansing	16	(40)	(400)	(40)	Collection of separated dog waste by a dedicated operative - stop as dog waste is now also put in regular street bins
Community and Voluntary Sector Grants	17	(58)	(580)	(58)	Reduced funding for the Citizens' Advice Service Level Agreement
SCIA Sub Total		(98)	(1,052)	(105)	
TOTAL (IF ALL OF THE ABOVE ITEMS ARE AGREED)		(1,136)	(1)	0	

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 15 (24/25)

Portfolio / Chief Officer : Improvement & Innovation / Jim Carrington-West

Service: Democratic Services

Activity: Civic Expenses

No. of Staff 0 FTE

Details of proposed change	Cost Centre & Account Code of Budget	2024/25 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduce Expenses of the Chairman and Deputy Chairman by 50%	CXCIVEX / 57360	0	£8,000 saving from 2025/26

Box 1. Reasons for and explanation of proposed change in service

A review of the level of expenses being used suggests that not all the current budget is required and therefore an £8,000 reduction can be realised from 2025/26.

Box 2. Key Stakeholders Affected:

Chairman & Deputy Chairman

Box 3. Likely impacts and implications of the change in service (include Risk Analysis)

None

Risk to Service Objectives (High / Medium / Low)

Low

SERVICE CHANGE IMPACT ASSESSMENT**Cost Centre 2023/24 Budget (£'000)**

Operational Cost	18
Income	0
Net Cost	18

Service Budget 2023/24 (relating to the area effect by this SCIA)

Operational Cost	18
Income	0
Net Cost	18

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 16 (24/25)

Portfolio / Chief Officer: Cleaner and Greener/Adrian Rowbotham

Service: Direct Services

Activity: Street Cleansing

No. of Staff 1 FTE

Details of proposed change	Cost Centre & Account Code of Budget	2024/25 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Collection of separated dog waste by a dedicated operative - stopped as dog waste is now also put in regular street bins	20500 FAD 8070	(36)	Ongoing (permanent decrease in staff)
Transport Running Costs Fuel & Oil	42100 / FAD / 9999	(1)	Ongoing
Fixed Transport Charge	47200 / FAD / 9999	(3)	Ongoing

Box 1. Reasons for and explanation of proposed change in service

Direct Services historically had a dedicated post for dog waste emptying, this is no longer required. Therefore, the post can be deleted, and the operative will be deployed in a vacant street cleansing post.

Box 2. Key Stakeholders Affected:

No effect on stakeholders, as dog waste can be placed in general street litter bins.

Box 3. Likely impacts and implications of the change in service (include Risk Analysis)

None.

SERVICE CHANGE IMPACT ASSESSMENT

Risk to Service Objectives (High / Medium / Low)

Low.

Cost Centre 2023/24 Budget (£'000)

Operational Cost	1,531
Income	(1,487)
Net Cost	44

Service Budget 2023/24 (relating to the area effect by this SCIA)

Operational Cost	896
Income	0
Net Cost	896

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council’s ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 17 (24/25)

Portfolio: People and Places
Chief Officer: Sarah Robson
Service: People & Places
Activity: Health & Communities
No. of Staff: 1FTE

Details of proposed change	Cost Centre & Account Code of Budget	2024/25 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Citizens Advice - General Advice Grant	CDGRNTS 67100	(35)	ongoing
KCC - Active Kent and Medway website	60501 CDDEVLP	(3)	ongoing
Community Grants Programme	CDGRNTS 67100	(20)	ongoing

Box 1. Reasons for and explanation of proposed change in service

Sevenoaks District Council give a number of voluntary grants to the community.

This SCIA proposes to reduce the grant awarded as follows:

- 1) We are proposing to reduce the General Advice Grant by £35,000 to £63,540, whilst the Housing Advice Service will remain at £18,000. The total grant will therefore be £81,540 per annum.

The new SLA with Citizens Advice will commence in April 2024, expiring on March 2027. A provision in the new SLA has been added to allow for the Council to adjust the payment sums included by giving a minimum of three months' notice in writing to the Citizens' Advice.

- 2) The current grant to Kent County Council is £3,000 per year and helps to fund the Active Kent & Medway website and staffing be reduce to £0.

SERVICE CHANGE IMPACT ASSESSMENT

3) The Health and Communities team runs an annual community grants programme. However, we are proposing to reduce the annual budget by £20,000 to a total of £23,848.

If the SCIA is approved, Citizens Advice will duly be provided with three months' notice of the change.

The saving is considered feasible as the Council offers other funding options through its Better Together and Community Safety Partnership grants, whilst enabling communities and partner organisations to secure funding and deliver projects as part of our community mobilisation programme.

Box 2. Key Stakeholders Affected:

Voluntary and community organisations

Box 3. Likely impacts and implications of the change in service (include Risk Analysis)

There will be no change to the Housing Advice Service grant to Citizens Advice, which will help continue to provide a specialist approach to provide debt counselling, mortgage arrears and benefits advice and to prevent homelessness where possible.

However, there will be a reduction in the annual funding provided for employment, consumer advice, relationship breakdown and money advice, which may impact some residents in the Sevenoaks District. It should be noted that the Council will continue to provide its HERO service and Here to Help support, alongside Government's Help for Households campaign.

There will be a reduction in the number of grants awarded each year via the Community Grants scheme.

However, grants will still be available via the Better Together fund and Community Safety Partnership grants. The Council will continue to host the Voluntary Sector Forum and its annual Funding Fair in partnership with Imago.

Risk to Service Objectives (High / Medium / Low)

Low

SERVICE CHANGE IMPACT ASSESSMENT

Cost Centre 2023/24 Budget (£'000)

Operational Cost	201
Income	0
Net Cost	201

Service Budget 2023/24 (relating to the area effect by this SCIA)

Operational Cost	201
Income	0
Net Cost	201

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Community Impact and Outcomes

There may be a community impact for those residents seeking employment, consumer advice or relationship breakdown advice. However, other voluntary organisations, DWP and Government campaigns do provide this support.

SERVICE CHANGE IMPACT ASSESSMENT

Wellbeing

There may be a wellbeing impact for those residents seeking employment, consumer advice or relationship breakdown advice. However, other voluntary organisations and Government campaigns do provide this support, for example, DWP, Acas, Mind, Relate and the Chartered Trading Standards Institute.

Financial Strategy



INTRODUCTION

In the years preceding this Strategy Sevenoaks District Council has proven itself to be highly successful in some of the most austere and challenging times faced by local government. This was only possible because of our award winning financial strategy and the achievement of a self-sufficient balanced budget within our unique 10-year budget framework.

With the cost of living crisis and events around the world, it remains important to have clear plans in place that may require difficult but necessary savings proposals.

Our Financial Strategy enables the Council to deliver its services effectively, in accordance with the priorities set out in the Corporate Strategy. At the same time, it ensures that our spending is prioritised to deliver the promises our Members set out in the draft **Council Plan themes**:

-  Environment
-  Economy
-  Housing
-  Communities
-  Wellbeing

OUR FINANCES

Our Vision Long-term financial health to deliver exceptional services and achieve the promises set out in the Council Plan.

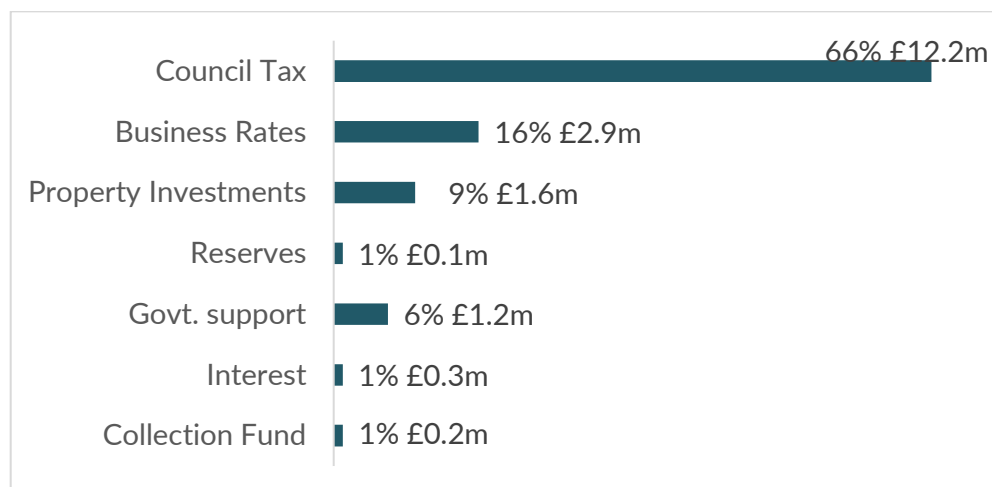
What's important to us:

- Our budget supports the Council's vision and priorities
- Taxpayers and customers receive quality services and value for money
- Innovation, efficiency and cost-effectiveness
- Maximising income from grants and other funding opportunities
- Taking a commercial approach where it will benefit our budgets and our residents and local businesses
- Good quality, risk managed investments to generate more income for local priorities

To be successful, we must:

- Remain financially self-sufficient
- Be clear about the Council's future financial prospects, with a ten-year budget as an integral part
- Ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting
- Make effective use of reserves and capital receipts
- Manage our money carefully, monitor monthly and constantly strive for better value from our spending

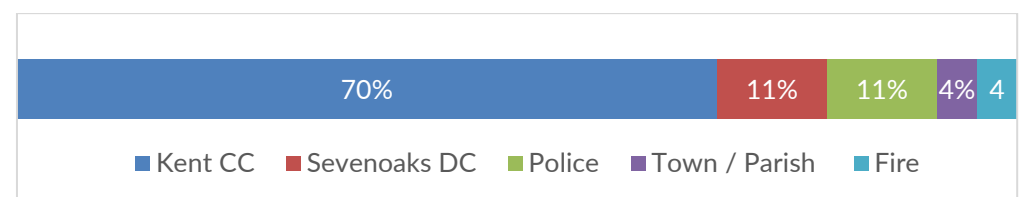
WHERE OUR MONEY COMES FROM (also income from services is £12.6m)



COUNCIL TAX





Sevenoaks District Council collects the Council Tax charge for itself but also for Kent County Council, Kent Fire & Rescue Service, Kent Police & Crime Commissioner and all the local town and parish councils. Each authority sets its own charge that contributes to the total.




Sevenoaks District Council's part of the charge at Band D is £236.70, 11% of the total. Council Tax contributes about £12.2million to District Council services.



WHERE OUR MONEY IS SPENT

In 2023/24 the Council will spend about £18.5million on services for local people

	Cleaner & Greener £5.8m
	Development & Conservation £1.0m
	Housing & Health £1.4m
	People & Places £0.8m

	Finance & Investment £3.3m
	Improvement & Innovation £6.4m
	Other £-0.2m

OUR PRIORITIES | By keeping a focus on our priorities we will deliver our vision

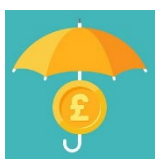
Financial self-sufficiency



No longer relying on direct government funding gives greater certainty to our financial planning. It allows for long-term plans to be developed over our 10-year budget period.

- We will produce high quality financial reports and monitor our budgets every month
- We will address growth items and service pressures annually through the budget planning process
- We will manage inflationary pressures and prudent assumptions about future pressures and keep them under regular review

Savings & reserves



Creating a culture where there is a continuous drive for better value in our spend helps to create savings to balance our budgets. Alongside flexible and effective use of reserves, it allows for sustainable solutions to financial pressures

- We will seek to deliver a minimum of £100,000 in savings annually
- We will regularly review the use of reserves and maintain a minimum balance of 10% of the Net Service Expenditure budget.
- We will make flexible use of the Budget Stabilisation Reserve to increase resilience in the budget setting process

Income & investments



Making best use of the Council's reserves and carefully managed borrowing. Seeking new opportunities for funding from grants and investments is increasingly essential to the Council's financial sustainability.

- We will bid for external funding
- We will adopt a commercial approach where it will be of benefit to our budgets and support the delivery of Council priorities
- We will make investments to bring in income to support the delivery of Council services

Delivering our Financial Strategy

Our Financial Strategy is supported by a number of related strategies and an action plan to help us achieve our vision and to deliver the ambitions set out by Members in the Council Plan.

How we work as a team of officers is critical to the success of the organisation and to help us achieve our aims, the Financial Strategy seeks to unite us all behind the same priorities and approach.

The outcomes we hope to achieve and the measures that will help us to determine whether we have been successful are set out below.



Outcomes and success measures

Financial self-sufficiency					
	Financial plans ensure there are no unplanned reductions to Council services		Overall proportion of Council budgets funded by income from council tax does not increase		A balanced 10-year budget is delivered annually
Savings & Reserves					
	Annual savings exceed the £100,000 target whilst continuing to protect services		The General Fund reserves retains at least 10% of the Net Service Expenditure budget		Specific savings agreed as part of the annual budget process are achieved as planned.
Income & Investments					
	Successful bids for external funding generate new income and opportunities for the Council		Income from paid for services is in accordance with budget costs, is comparable to neighbouring authorities and is considered to provide value for money		Treasury Management, Property and commercial investments exceed expected yield

CALCULATION OF COUNCIL TAX BASE AND OTHER TAX SETTING ISSUES

Cabinet – 18 January 2024

Report of: Deputy Chief Executive and Chief Officer – Finance & Trading

Status: For Decision

Also considered by:

- Council – 20 February 2024

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 2024/25 council tax.

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

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer: Jessica Booth, Ext. 7436

Recommendation to Cabinet:

That it be recommended to Council that:

(a) the report of the Deputy Chief Executive and Chief Officer - Finance & Trading for the calculation of the Council's tax base for the year 2024/25 be approved;

(b) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading 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 2024/25 shall be 52,394.75;

Agenda Item 6

- (c) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading 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 2024/25 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,496.10
Badgers Mount	339.10
Brasted	802.60
Chevening	1,473.40
Chiddingstone	624.10
Cowden	461.90
Crockenhill	673.40
Dunton Green	1,364.60
Edenbridge	3,980.90
Eynsford	966.70
Farningham	676.20
Fawkham	341.30
Halstead	850.70
Hartley	2,602.30
Hever	665.00
Hextable	1,695.90
Horton Kirby & South Darenth	1,305.40
Kemsing	1,895.20
Knockholt	650.70
Leigh	957.90
Otford	1,743.10
Penshurst	844.00
Riverhead	1,282.30
Seal	1,364.70
Sevenoaks Town	9,952.00
Sevenoaks Weald	633.70
Shoreham	731.20
Sundridge	944.90
Swanley	5,849.10
Westerham	2,108.90
West Kingsdown	2,433.70

(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.

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

Reason for recommendation: As part of the tax setting process for 2024/25, the Council needs to formally approve the tax base at individual town and parish level as well as for the District as a whole.

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. The amounts payable in the other bands are expressed as a proportion of the band D figure and these are shown in Appendix A.
- 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 Levelling Up, Housing & Communities (DLUHC). This is based on the valuation list as at 11 September 2023 and occupancy information at 2 October 2023. The tax base for tax setting purposes is based on information available in December 2023. In addition, other factors may be taken into account to reflect likely changes to the tax base during 2024/25. 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 changes in the level of Council Tax Reduction Scheme payments

Agenda Item 6

- 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. The base calculations this year assume that the change to empty homes premium is approved from 1st April 2024.

Detailed Tax Base Calculations

- 6 The current year's tax base calculation assumes a 99.4% collection rate and it is proposed that this is maintained at the same level for 2024/25.
- 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 2023 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 figure for 2023/24 appear in column 5.

Agenda Item 6

(1) <u>Parish</u>	(2) <u>Band D Equivalents</u>	(3) <u>Collection Rate Multipliers</u>	(4) <u>Tax base 2024/25</u>	(5) <u>Tax base 2023/24</u>
Ash-cum-Ridley	2,496.10	0.994	2,481.12	2,483.11
Badgers Mount	339.10	0.994	337.07	337.07
Brasted	802.60	0.994	797.78	790.33
Chevening	1,473.40	0.994	1,464.56	1,458.10
Chiddingstone	624.10	0.994	620.36	619.26
Cowden	461.90	0.994	459.13	449.59
Crockenhill	673.40	0.994	669.36	659.42
Dunton Green	1,364.60	0.994	1,356.41	1,347.57
Edenbridge	3,980.90	0.994	3,957.01	3,891.91
Eynsford	966.70	0.994	960.90	956.23
Farningham	676.20	0.994	672.14	679.90
Fawkham	341.30	0.994	339.25	306.55
Halstead	850.70	0.994	845.60	811.60
Hartley	2,602.30	0.994	2,586.69	2,560.84
Hever	665.00	0.994	661.01	646.99
Hextable	1,695.90	0.994	1,685.72	1,692.19
Horton Kirby & S Darenth	1,305.40	0.994	1,297.57	1,293.29
Kemsing	1,895.20	0.994	1,883.83	1,871.11
Knockholt	650.70	0.994	646.80	642.62
Leigh	957.90	0.994	952.15	952.95
Otford	1,743.10	0.994	1,732.64	1,735.72
Penshurst	844.00	0.994	838.94	839.73
Riverhead	1,282.30	0.994	1,274.61	1,270.73
Seal	1,364.70	0.994	1,356.51	1,345.48
Sevenoaks Town	9,952.00	0.994	9,892.29	9,844.68
Sevenoaks Weald	633.70	0.994	629.90	629.00
Shoreham	731.20	0.994	726.81	718.66
Sundridge	944.90	0.994	939.23	944.90
Swanley	5,849.10	0.994	5,814.01	5,710.83
Westerham	2,108.90	0.994	2,096.25	2,091.38
West Kingsdown	2,433.70	0.994	2,419.10	2,408.56
TOTALS	52,711.00		52,394.75	51,990.30

Agenda Item 6

- 8 The Council has previously resolved that its expenses are to be treated as general expenses. In addition the Council has to formally approve what are regarded to be 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

- 9 The County Council, Police & Crime Commissioner and Fire and Rescue Service have advised me of their budget meeting dates for 2024/25:
- County Council – 19 February 2024
 - Police & Crime Commissioner – 6 February 2024 – TBC
 - Fire & Rescue Service – 20 February 2024
- 10 The council tax for the Sevenoaks area cannot be set before the County, Police and Fire 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 Appendix B.
- 11 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 2024 or the first working day after this, for the year ending 31 March 2024.
- 12 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 2023/24. Payment is to be made during 2024/25 on the same dates as precept payments.

Key Implications

Financial

There are no financial implications.

Legal Implications and Risk Assessment Statement.

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 the billing and major precepting authorities in the following year.

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

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 2024/25 council tax.

Appendices

Appendix A – Council tax valuation bands

Appendix B – Key dates in the council tax setting process

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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COUNCIL TAX VALUATION BANDS

To calculate the relative value of dwellings for council tax purposes each dwelling is placed on a valuation list in one of eight bands ranging from A to H. Within a local area, the amount of council tax payable will vary between the different bands according to proportions laid down by law. The bands are based on property values as at April 1991.

Band	Value	Proportion
A*	Up to £40,000	5/9
A	Up to £40,000	6/9
B	Over £40,000 and up to £52,000	7/9
C	Over £52,000 and up to £68,000	8/9
D	Over £68,000 and up to £88,000	9/9
E	Over £88,000 and up to £120,000	11/9
F	Over £120,000 and up to £160,000	13/9
G	Over £160,000 and up to £320,000	15/9
H	Over £320,000	18/9

Band A* is applicable to recipients of a Disabled Persons Reduction who would otherwise be in Band A.

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KEY DATES IN THE COUNCIL TAX SETTING PROCESS

- | | | |
|-------|---|--|
| i) | By 15 October 2023 | Notify tax base for grant settlement purposes to the Department for Levelling Up, Housing & Communities (DLUHC) |
| ii) | During December 2023 | DLUHC notifies schedule of payment dates for Revenue Support Grant (RSG) and Non-Domestic Rates (NDR). DLUHC notifies the NDR multiplier (rate in £) for 2024/25 |
| iii) | By 31 December 2023 | Issue proposed schedule of payment dates to precepting authorities |
| iv) | By 31 January 2024 | Agree actual schedule of precept payment dates |
| v) | Between 1 December 2023 and 31 January 2024 | Notify tax base for tax setting purposes to KCC, Fire & Rescue Service and Police & Crime Commissioner |
| vi) | On 15 January 2024 | 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 24 January 2024 | Notify KCC, Fire and Police of their shares of the surplus or deficit and when amounts are to be paid or transferred during 2023/24 (where applicable) |
| viii) | During January and February 2024 | Notify Town/Parish Councils of tax bases for their areas within 10 days of them making such a request |
| ix) | During February 2024 | DLUHC notifies entitlements and payment dates of Formula Spending Share (FSS), RSG and NDR |
| x) | By 20 February 2024 | KCC, Fire & Rescue Service, Police & Crime Commissioner and Town/Parish Councils issue their precepts |
| xi) | By 20 February 2024 | District sets council tax for 2024/25, taking account of its own budget requirement and those of the precepting authorities. |

Item 07 – Discretionary Rate Relief

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract was not available prior to the printing of these papers and will follow when available.

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DISCRETIONARY RATE RELIEF

Cabinet – 18 January 2024

Report of: Deputy Chief Executive and Chief Officer – Customer and Resources

Status: For Decision

Also considered by:

- Finance & Investment Advisory Committee - 11 January 2024

Key Decision: No

Executive Summary: Formal applications for discretionary rate relief are required every two years, with the last applications being made in 2023/2024. This report sets out the proposals for continuing the awards to current recipients for 2024/2025.

This report supports the Key Aim of: Supporting and developing the local economy and providing value for money.

Portfolio Holder: Cllr. Maskell

Contact Officer(s): Sue Cressall, Ext. 7041

Paula Porter, Ext 7277

Recommendation to Finance & Investment Advisory Committee:

- Members are asked to recommend that Cabinet approve the criteria for granting discretionary rate relief from 1 April 2024, set out in Appendix A.
- Members are asked to recommend that Cabinet approve the proposals for granting relief from business rates for 2024/2025 as set out in Appendix B.

Recommendation to Cabinet:

- Members are asked to approve the criteria for granting discretionary rate relief from 1 April 2024, set out in Appendix A.
- Members are asked to approve the proposals for granting relief from business rates for 2024/2025 as set out in Appendix B.

Reason for recommendation: Relief from business rates provides organisations with valuable support and contributes to the Council's commitment to supporting and developing the economy.

Introduction and Background

- 1 Charities and sports organisations that have charitable status receive 80% mandatory rate relief. To qualify for the mandatory relief the organisation must be established for charitable purposes only and the premises must be wholly or mainly used for charitable purposes. Sports clubs registered with HMRC as community amateur sports clubs are also entitled to 80% mandatory relief.
- 2 Section 47 of the Local Government Finance Act 1988 (as amended by s69 of the Localism Act 2011) provides local authorities with powers to grant discretionary rate relief of up to 100% to any ratepayer.
- 3 Prior to 1 April 2024, backdating of discretionary rate relief was restricted and applications could not be considered for any year if made more than six months after the year end.
- 4 This restriction is to be removed, effective from 1 April 2024, and the Council will have the freedom to consider applications for 2023/2024 after 30 September 2024 and backdate any award.
- 5 Discretionary rate relief can be awarded in isolation or given to 'top-up' a mandatory award.
- 6 However, unless one of the following apply, authorities may only grant discretionary rate relief if satisfied that it would be reasonable to do so, having regard to the interests of the council tax payers:
 - The ratepayer is a charity or trustees for a charity, and the property is wholly or mainly used for charitable purposes; or
 - The ratepayer is a community amateur sports club and the property is wholly or mainly used for the purpose of the club and other such clubs; or
 - All or part of the property is occupied by non-profit making organisations whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
 - The property is occupied by a club, society or other non-profit making organisation and it is wholly or mainly used for purposes of recreation.

- 7 Authorities should have easily understood guidelines for deciding whether or not to grant relief and for determining the amount of relief which should be based on the consideration of the merits of each individual case. However, as the range of bodies that may be eligible for discretionary rate relief is wide, not all the suggested criteria will be applicable in each case.
- 8 The Council currently grants discretionary rate relief over the following categories:
- Discretionary rate relief up to 100% of rates bill (but usual award is 80%);
 - Discretionary 'top-up' relief to take total relief up to 100% of the rates bill;
 - Rural rate relief at 50% of rates bill to mandatory rural rate relief recipients;
 - Discretionary rural rate relief at 100% for businesses offering some or all of the service of a Post Office, General Store or food shop which is essential to the community but who do not qualify for mandatory rural rate relief because of the rateable value and
 - Hardship Relief (exceptional cases only and usual award is up to 80%).
- 9 The Non-Domestic Rating Act 2023 and consequential regulations have necessitated changes to the criteria for awarding discretionary rate relief. Revised criteria are set out in Appendix A.
- 10 Since April 2018, in the absence of primary legislation, the Government has required local authorities to use discretionary powers to 'top-up' the 50% mandatory rural rate relief to 100%. Primary legislation has now been amended, meaning that mandatory rate relief cases no longer require a 'top-up'.
- 11 Officers recommend that the revised criteria be approved to take effect from 1 April 2024.
- 12 Applications from ratepayers falling outside of these criteria will be considered on their merits and individual recommendations will be made having regard to the interests of the District's council tax payers.

Approach taken to reviewing applications

- 13 The full list of applications, together with officer recommendations, is attached at Appendix B. Each application has been considered on its own merits, however in reviewing applications against the criteria, similar organisations were considered together, to ensure consistency of approach.
- 14 The criteria was applied as follows for discretionary rate relief and discretionary top-up relief:

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- Links to Council priorities – the extent to which the activities supported the Council’s priorities was assessed, including support/activities for vulnerable or socially excluded groups.
 - Evidence of financial need including reserve levels and assets – all organisations were requested to provide financial information and reserve levels were compared to annual expenditure, to assess financial need. The ability to generate income was also considered. In addition, for sports clubs, consideration was given to whether they had applied to become community amateur sports clubs (CASCs).
 - Membership within the District – where it appeared that a substantial proportion of the membership was from outside the District, this was taken into account in putting forward a recommendation.
 - Membership open to all – where membership is restricted to a particular group or locations, or is dependent on recommendations from existing members this has been taken into account, as not all residents would be able to benefit from the relief granted.
 - Membership fee levels – fee levels were assessed to consider whether they were so high that they could exclude some in the local community.
 - Bar activity and profits – if the bar is the main activity an organisation was unlikely to be recommended for relief. Any profits are expected to be used to fund club expenses.
- 15 For discretionary rural rate relief, officers considered the benefits of the shop/business to the local community when compared with the cost of the relief. It is recommended that the village shops receive relief due to the benefit they provide to local communities.
- 16 There is no formal appeals process against the Council’s decisions on the discretionary reliefs referred to in this report. The current approach is however to re-consider decisions in the light of any representations made by the ratepayers.

Applications for 2024/2025

- 17 Appendix B contains the details of each applicant to be considered for relief for 2024/2025 and recommendations of the level of relief to be applied. All applicants fall to be considered under the criteria set out in Appendix A.
- 18 In the Autumn Statement on 22 November 2022 the Chancellor announced that the small business multiplier would be frozen and the standard multiplier would rise by inflation. Although still subject to final confirmation, it is anticipated that the small business non-domestic rating multiplier will be set at 49.9p and the standard non-domestic rating multiplier will be set at 54.6p.

- 19 The estimated level of relief is based upon the multipliers set out in paragraph 16.
- 20 If applications are approved, the estimated total gross relief granted would be £212,513.
- 21 Members should be aware that the requirement for relief can change during the financial year as a result of rateable value changes, vacations etc. Therefore, some of these awards may not ultimately require full funding.

Other options Considered and/or rejected

- 22 Members have discretion not to grant rate relief or to vary the amount of relief awarded. No recommendation is being made to reduce or remove relief because relief from business rates provides organisations with valuable support and contributes to the Council's commitment to supporting and developing the local economy.

Key Implications

Financial

- 23 Since 1 April 2013 all discretionary relief granted has come under the provisions of the business rate retention scheme.
- 24 The cost of relief is initially shared between central government (50%) and local authorities (50%). Of this Sevenoaks District Council is required to fund 40%. However, due to the complexities of business rates retention, the actual impact is likely to be significantly lower.
- 25 Appendix B only refers to the gross discretionary rate relief proposed.

Legal Implications and Risk Assessment Statement

- 26 There are no legal issues.

Risk Assessment Statement

- 27 New organisations may request relief after the deadline for receipt of applications and so would not be able to receive discretionary relief until the next annual review. In order to address urgent cases the Deputy Chief Executive - Chief Officer for Customer and Resources determines any relief to be awarded under delegated authority. These organisations would then apply in the usual way for the next round.
- 28 A biennial application process may seem to be an additional burden for businesses, many of whom are small. Officers have taken account of this in designing the application process so as to minimise the administrative burden on applicants.

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Equality Assessment

- 29 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.

Net Zero Implications

- 30 The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

- 31 There are clear benefits to the business community of awarding discretionary rate relief and therefore the proposals are submitted for endorsement as per Appendix B.

Appendices

Appendix A - Policy for considering applications for Discretionary Rate Relief

Appendix B - List of organisations proposed to receive relief

Background Papers

None

Jim Carrington-West

Deputy Chief Executive and Chief Officer – Customer & Resources

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Estimated Relief for 2024/25	Recommendation/comments
DISCRETIONARY RELIEF						
30556849	Hospices of Hope Trading Ltd 11-13 High Street, Otford TN14 5PG	Shop	Otford	80	£13,073.80	Recommended
30570319	New Ash Green Village Assoc Ltd Ash Road, New Ash Green DA3 8HH	Hall	Ash	80	£3,473.04	Recommended
30557491	New Ash Green Village Assoc Ltd Punch Croft, New Ash Green DA3 8HR	Sports Ground	Ash	80	£6,986.00	Recommended
30578788	New Ash Green Village Assoc Ltd Centre Road, New Ash Green DA3 8HH	Office	Ash	80	£5,417.64	Recommended
30553475	New Ash Green Village Assoc Ltd Ash Road, New Ash Green DA3 8JY	Workshop	Ash	80	£6,187.60	Recommended
30709346	RACDV Sales Ltd 36 Swanley Centre, Swanley BR8 7TL	Shop	Swanley	80	£8,320.83	Recommended
30761191	Business Innovation Zone Ltd Unit 3 Vincent House Fircroft Way Edenbridge TN8 6EL	Office	Edenbridge	80	£11,576.80	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
TOP-UP RELIEF						
30550568	10th Sevenoaks (Weald's Own) Scout Group R/O 13-16 Glebe Road, Weald TN14 6PB	Hall	Weald	20	£314.37	Recommended
30562165	15th Sevenoaks (Otford) Scout Group Station Road, Otford TN14 5QU	Hall	Otford	20	£351.57	Recommended
30569944	16th Sevenoaks (Ide Hill) Scout Group Camberwell Lane, Ide Hill TN14 6JL	Hall	Sundridge	20	£141.20	Recommended
30565195	17th Sevenoaks (Westerham) Scout Group Hortons Way, Westerham TN16 1BT	Hall	Westerham	20	£265.12	Recommended
30557095	1st Crockenhill Scout Group Stones Cross Road, Swanley BR8 8LT	Hall	Swanley	20	£207.48	Recommended

Ref	Organisation name and property description/address	Property type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30561414	1st Edenbridge Scout Group Station Road, Edenbridge TN8 5HP	Hall	Edenbridge	20	£254.49	Recommended
30558593	1st Eynsford & Farningham Scout Group Priory Lane, Eynsford DA4 0AY	Hall	Eynsford	20	£279.44	Recommended
30565812	1st Horton Kirby Scout Group Horton Road, Horton Kirby DA4 9BN	Hall	Horton Kirby	20	£242.02	Recommended
30558555	1st Sevenoaks Scout Group 57 Oakhill Road, Sevenoaks TN13 1NT	Hall	Sevenoaks	20	£394.21	Recommended
30562080	3rd Sevenoaks (Riverhead) Scout Group Bradbourne Vale Road, Sevenoaks TN13 3QQ	Hall	Sevenoaks	20	£234.53	Recommended
30567641	4th Sevenoaks (St Johns) Scout Group Mill Lane, Sevenoaks TN14 5BU	Hall	Sevenoaks	20	£538.92	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30573417	6th Sevenoaks (Kemsing) Scout Group Heaverhad Road, Kemsing TN15 6NE	Hall	Kemsing	20	£194.61	Recommended
30566792	7th Sevenoaks (Halstead) Scout Group Shoreham Lane, Halstead TN14 7BY	Hall	Halstead	20	£126.80	Recommended
30556245	7th Tonbridge (Eden Valley) Scout Group Kiln Lane, Leigh TN11 8RT	Hall	Leigh	20	£244.51	Recommended
30748907	Archbishop's Palace Conservation Trust The Gatehouse, Otford Palace TN14 5PD	Hall	Otford	20	£152.73	Recommended
30612176	Badgers Mount Memorial Hall Highland Road, Badgers Mount TN14 7BA	Hall	Badgers Mount	20	£461.08	Recommended
30741845	Chiddingstone Nursery School Hill Hoath Road, Chiddingstone TN8 7AD	Day Nursery	Chiddingstone	20	£858.28	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30735406	Citizens Advice in North & West Kent 38 Swanley Centre, Swanley BR8 7TQ	Shop	Swanley	20	£1,567.96	Recommended
30769775	Citizens Advice in North & West Kent 1st Floor 5 Blighs Court Sevenoaks TN13 1DD	Offices	Sevenoaks	20	£2,220.55	Recommended
30604373	Eden Valley Museum Trust Church House, R/O 72 High Street Edenbridge TN8 5AR	Museum	Edenbridge	20	£149.70	Recommended
30693953	Edenbridge & Westerham Citizens Advice Bureau The Eden Centre, Edenbridge TN8 6BY	Office	Edenbridge	20	£2,019.95	Recommended
30569890	Farningham Village Hall High Street, Farningham DA4 0DH	Hall	Farningham	20	£461.08	Recommended
30558982	Fawkham Village Hall Valley Road, Fawkham DA3 8NA	Hall	Fawkham	20	£658.68	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30554416	Halstead Village Hall Knockholt Road, Halstead TN14 7EX	Hall	Halstead	20	£324.35	Recommended
30675078	Hartley Village Hall Ash Road, Hartley DA3 8EL	Hall	Hartley	20	£299.40	Recommended
30774777	Heart Cells Foundation Office 4 at Mill Court, Edenbridge TN8 5DB	Office	Edenbridge	20	£852.99	Recommended
30721865	Hextable Community Collective 39 Egerton Avenue, Hextable BR8 7LG	School	Hextable	20	£2,794.40	Recommended
30555785	Ide Hill Village Hall Management Ide Hill, Sevenoaks TN14 6JG	Store	Sundridge	20	£256.47	Recommended
30570296	Ide Hill Village Hall Management Ide Hill, Sevenoaks TN14 6JG	Hall	Sundridge	20	£304.39	Recommended
30775480	Imago Community Unit 1 South Block Ash House New Ash Green, Longfield DA3 8JF	Office	Ash	20	£783.83	Recommended
30702369	Kingsdown Village Hall Gamecock Meadow, London Road West Kingsdown TN15 6BZ	Hall	West Kingsdown	20	£2,020.95	Recommended
30658332	Longfield & Hartley Scout Group Larkwell Lane, Hartley DA3 7EQ	Club House	Hartley	20	£508.98	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30557156	Otford Village Memorial Hall High Street, Otford TN14 5PQ	Hall	Otford	20	£818.41	Recommended
30643088	Riverside Players Unit 11 Furlongs Farm, Riverside Eynsford DA4 0AE	Store	Eynsford	20	£262.24	Recommended
30758171	Samaritans of East Surrey 105 St Johns Hill, Sevenoaks TN13 3PE	Office	Sevenoaks	20	£1,072.85	Recommended
30744370	Second Chance Animal Rescue Bournewoods, Stones Cross Road Swanley BR8 8LT	Animal Sanctuary	Swanley	20	£1,247.50	Recommended
30575161	Sevenoaks District Scout Council School Lane, Seal TN15 0BE	Hall	Seal	20	£204.59	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30785067	The SLM Community Leisure Charitable Trust Buckhurst Lane, Sevenoaks TN13 1LW	Leisure Centre	Sevenoaks	20	£31,395.00	Recommended
30785104	The SLM Community Leisure Charitable Trust Lullingstone Golf Club, Orpington BR6 7PX	Restaurant	Shoreham	20	£988.02	Recommended
30785081	The SLM Community Leisure Charitable Trust Edenbridge Leisure Centre TN8 5LU	Leisure Centre	Edenbridge	20	£27,300.00	Recommended
30785210	The SLM Community Leisure Charitable Trust Edenbridge Local Office TN8 5LU	Office	Edenbridge	20	£726.20	Recommended
30772344	The SLM Community Leisure Charitable Trust Whiteoak Leisure Centre, Swanley BR8 7BT	Leisure Centre	Swanley	20	£64,974.00	Recommended
30550339	Shoreham Village Hall 25 High Street, Shoreham TN14 7TB	Hall	Shoreham	20	£384.23	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30671342	Stag Community Arts Centre Stag Theatre, Sevenoaks TN13 1ZZ	Theatre & Cinema	Sevenoaks	20	£5,623.80	Recommended
30556276	Sundridge Village Hall Main Road, Sundridge TN14 6EJ	Hall	Sundridge	20	£345.81	Recommended
30720022	Swanley & District Foodbank 11 Lynden Way, Swanley BR8 7DN	Shop	Swanley	20	£599.40	Recommended
30756144	The Cottage Community Cottage Day Centre, Fawkham DA3 8PU	Community Centre	West Kingsdown	20	£316.99	Recommended
30719305	The Kent Firefighting Museum Woodlands Nurseries, Ash TN15 7EG	Museum	Ash	20	£0.10	Recommended
30569487	Ash Village Hall The Street, Ash TN15 7HA	Hall	Ash	20	£299.40	Recommended
30554812	West Kent Mind Day Centre, Glen Dunlop House St Johns Road, Sevenoaks TN13 3LW	Day Centre	Sevenoaks	20	£434.13	Recommended

Discretionary Rate Relief		Number	Relief 2024/25
Total Officer Recommended		7	£55,035.71
Total Officer Rejected		0	£0.00
Top-Up Relief		Number	Amount
Total Officer Recommended		50	£157,477.71
Total Officer Rejected		0	£0.00

Policy for considering applications for Discretionary Rate Relief

Charitable and not for profit organisations

Under National Non-Domestic Rate (NNDR) legislation the Council has the power to award discretionary rate relief to certain charitable or not for profit organisations where the following conditions are satisfied.

All or part of the property is occupied by one or more institutions or organisations which are:

- Not established for profit, **and**
- Whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
- Used wholly or mainly for recreation by a not-for-profit club or society.

Discretionary rate relief cannot be awarded if the ratepayer is a billing or precepting authority.

The process for considering applications is as follows:

- Not-for-profit organisations are asked to apply for discretionary rate relief (in isolation or as ‘top-up’ every two years, all applications to be considered at the same time.
- Cabinet to decide annually which organisations are to receive relief based on criteria including how the organisation assists the Council to achieve its priorities (see below). This includes deciding the level of relief to be granted in each case.

Criteria	Explanation
Links to Council priorities	The extent to which the activities of the organisation support the Council’s priorities as set out in the Council Plan, and specifically supporting and developing the local economy and providing good value for money through a balanced budget.
Evidence of financial need including reserve levels and assets	Organisations with high levels of reserves (covering more than 12 months’ expenditure) or who cannot demonstrate a financial need would not be a priority for rate relief.

Membership within District	As 40% of the relief is funded by SDC taxpayers priority will be given to those organisations with a high proportion of members from within the District.
Membership open to all	To give all residents an opportunity to benefit from the rate relief, priority should be given to organisations where membership is open to all.
Membership fee levels	Where membership fees are charged they should not be so high as to exclude any of the community.
Extent to which activity is based around Bar and use of profits from it	Priority would not be given to those organisations where the bar is the main activity. It would be expected that any profits from the bar would be put back to fund club expenses.

Discretionary rural rate relief

Certain types of business in rural villages, with a population below 3,000, may qualify for 100% mandatory rural rate relief. Businesses that qualify for this relief are the sole general store and the sole post office in the village, provided it has a rateable value of up to £8,500, any food shop with a rateable value of up to £8,500 and the sole pub and the sole petrol station in the village provided it has a rateable value of up to £12,500.

The Council may decide to give up to 100% relief to any other business in such a rural village, with a rateable value of up to £16,500, if it is satisfied that the business is of benefit to the community and having regard to the interests of its council tax payers.

Hardship Relief

Hardship relief is granted in exceptional circumstances, any business can apply for hardship relief if they can show the following:

- The business would suffer hardship if relief was not granted; and
- It is in the interests of council tax payers for relief to be granted.

An application needs to be supported by current trading figures as well as previous audited accounts or accounts accepted by HMRC. In assessing an application regard will be had to employment issues for the company or any

related business and the impact that the loss of business would have on the local area. The current approval process is that the Finance Team carries out a review of the business's accounts and the Chief Finance Officer decides whether hardship relief is appropriate based on each case's merits. In practice hardship relief has been granted in only exceptional cases to date.

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Item 08 – Scrap Metal Dealer Fees 2024- 25

The attached report was considered by the Cleaner & Greener Advisory Committee on 23 November 2023. The relevant Minute extract is below.

Cleaner & Greener Advisory Committee (23 November 2023, Minute 34)

The Head of Licensing presented the report, which outlined the proposed fees for applications for scrap metal licenses. Members’ attention was brought to the supplementary agenda, which corrected an error in the original report. The fees for 2024/25 were proposed to include an inflationary cost of 7%. The officer explained that the fees were set out on a cost recovery basis, and provided the authority with the funding needed to administer the legislation and ensure compliance. Enforcement was an ongoing issue for the team, as there were legal barriers around stopping collectors on the street. The 7% increase in fees would come into effect in April 2024.

Resolved: That it be recommended to Cabinet that the fees as below be approved:

Type of Application	2023/2024 Current Fee	2024/2025 Proposed Fee
Site Licence – Grant (3 years)	£532	£545
Site Licence – Renewal (3 years)	£449	£460
Collectors Licence Grant/Renewal (3 years)	£324	£332
Minor administrative change to licence	£36	£37
Variation – change of site manager	£193	£198
Variation from collector to site licence	£230	£236
Variation from site to collector licence	£149	£153

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SCRAP METAL DEALER LICENCE FEES 2024-2025

Cabinet - 18 January 2024

Report of: Chief Officer, Planning & Regulatory Services

Status: For consideration and decision

Also considered by: Cleaner & Greener Advisory Committee - 23 November 2023

Key Decision: No

This report supports the Key Aim of: Safe Communities to aid in the reduction of crime within the District

Portfolio Holder: Cllr. Margot McArthur

Contact Officer: Sharon Bamborough, Head of Licensing Partnership Ext. 7325

Recommendation to Cleaner & Greener Advisory Committee:

That Cabinet be recommended to approve the appropriate fee levels as set out in paragraph 25 of the report.

Recommendation to Cabinet:

That, subject to the comments of the Cleaner & Greener Advisory Committee, the fees set out in paragraph 25 of the report be approved.

Reason for recommendation: To ensure that the Council complies with its Statutory duty under the Scrap Metal Dealers Act 2013 and ensure that the licensing of Scrap Metal Dealers is self-financing, in accordance with the Council's Service and Budget Plan.

Introduction and Background

- 1 The Scrap Metal Dealers Act 2013 repealed the Scrap Metal Dealers Act 1964 (and related legislation) and Part 1 of the Vehicles (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries. The Act maintains local authorities as the principal regulator, but gives them the power to better regulate these industries by allowing them to refuse to grant a licence to 'unsuitable' applicants and a power to revoke licences if the dealer becomes 'unsuitable'.
- 2 The licensing regime introduced by the Act is very similar to the

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licensing of taxi drivers and the issuing of Personal Licences under the Licensing Act. The suitability of applicants is based on a number of factors as outlined in the Act, including any unspent relevant criminal convictions. Whilst it is expected that straightforward applications will be decided under delegation to Officers, any applications with objections where the applicant wishes to make representations would need to be heard at a hearing, with an option to appeal their decision to the Magistrates' Court.

- 3 It had been expected that the Home Office would make regulations about the new Scrap Metal Dealer Act which would allow the Council to manage the licensing process in the same way it manages its other licensing functions, namely to delegate them to the Licensing Committee. Although the Act has come into force these regulations have not been made. This means that these matters are the responsibility of Cabinet rather than Council and the Licensing Committee. Delegations from the Leader to the relevant Officers are made separately.

Licences

- 4 Under the Act there are two types of licence; a site licence and a collector's licence, which are both administered by the local authority. Site managers need to be named on site licences. Collectors need a licence in each local authority area in which they collect. Both types of licence last for three years.
- 5 The local authority must be satisfied that the applicant is a suitable person to hold a licence before it can grant a licence. The scope of this requirement will include applicants, site managers, directors, secretaries and shadow directors of companies.
- 6 The Council requires a photograph to accompany the application for a Collector's Licence. The photograph forms part of the licence document and enables Officers to identify licensed collectors.

Determining Applications

- 7 Section 3 of the Act states that a Council must not issue a licence unless it is satisfied the applicant is a suitable person to carry on a business as a scrap metal dealer, identified via a 'suitability test'. In the case of a partnership, the suitability of each partner will be assessed. In the case of a company, it means assessing the suitability of any directors, company secretaries, or shadow directors.
- 8 In assessing an applicant's suitability, the Council can consider any information considered relevant. The Council will be in a stronger position to defend any challenges to a decision to refuse a licence where the decision is based on the factors specifically listed in legislation, which includes whether:

- 9 The applicant or site manager has been convicted of a relevant offence or subject to any relevant enforcement action.
- 10 The applicant has previously been refused a scrap metal dealers licence or an application to renew a licence has been refused.
- 11 The applicant will be required to complete an application and declare that the information provided is correct. The applicant will commit an offence under the Act should they make a false statement, or recklessly make a statement which is false in a material way.
- 12 The authority will want to satisfy itself that an applicant is suitable by checking they do not have a previous relevant conviction, have not been the subject of enforcement action, or have been refused a licence. There is no requirement under the Act for applicants to provide a Basic Disclosure Certificate (BDC). However, this authority requires applicants to submit a Basic Disclosure Certificate provided by Basic Disclosure Scotland as part of the application process. The Council will require the certificate to be within 30 days of its issue when presented with the application.
- 13 Should an applicant refuse to supply a BDC this would be grounds for the Council to consider what further information was needed to judge whether the applicant was suitable to hold a licence. Refusal to submit a BDC would be grounds for the Council to decline to proceed with the application.
- 14 The Council requires an applicant to provide a Basic Disclosure Certificate (including standard and enhanced disclosures) that are no more than one month old at the time the application is submitted. The authority recognises that a Basic Disclosure Certificate will reveal only any unspent convictions on the Police national computer. The Certificate will not provide details of convictions for relevant offences secured by the Environment Agency or equivalent, or other local authorities. For any new applications, the authority will consult with the Environment Agency or equivalent and the Police. The authority will reserve the right to also contact any other local authority it feels necessary to determine the suitability of an applicant(s).
- 15 In the case where a Basic Disclosure Certificate highlights a relevant conviction the authority will seek further information from the Police to enable the authority to better assess the applicant(s) suitability. The authority will also check public records held by the Environment Agency or equivalent to assess if any enforcement action has been taken against an individual. In certain circumstances it may be necessary to make direct contact with the above to assess if any on-going enforcement action is pending, which may not be held on a public register at the time of application.
- 16 If the Council should receive information that an applicant(s) has

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been convicted of a relevant offence, a judgement will be made whether to refuse or grant the licence. The Council will take into account any information received by an applicant or other bodies. The Council will consider the nature of the offence or enforcement action, the gravity of the offence or enforcement action, when the enforcement action was taken, or any other relevant information as defined by the Act.

Representations

- 17 In the case where the authority rejects an application(s), or revokes, or varies a licence, the Council will notify the applicant or licence holder by way of a written Notice. The Council will advise the applicant(s) or licence holder what the authority proposes to do and the reasons behind the action. The Notice will stipulate that the applicant/licence holder has the opportunity to make a representation, or let the authority know that they wish to. The applicant/licence holder has up to 14 days from the date of the Notice to respond.
- 18 If the applicant/licence holder does not make a representation, or does not say that they wish to in that time period, then the Council can refuse the application, or revoke, or vary the licence. Where the applicant states they want to make representations, the authority will provide a further reasonable period in which to do so. If the applicant fails to provide a representation within the agreed period then the authority will refuse the application, or revoke, or vary the licence.

Hearings

- 19 Where the applicant makes representations, the authority has to consider them in accordance with the Act. If the applicant wishes to make oral representations the authority will arrange a hearing. It is anticipated that these hearings will follow the procedures for hearings under the Licensing Act 2003. The Council anticipates that further guidance on hearings will be issued.
- 20 Should the Council refuse an application, revoke or vary a licence the applicant/licence holder will receive a Notice of Decision, which will set out the Council's reasons for its decision. The Notice will inform the applicant, or licence holder of their right to appeal to the Magistrates' Court and, where the licence has been revoked or varied, the date under which that comes into effect.

Conditions

- 21 In cases where the applicant or any site manager has been convicted of a relevant offence, or where the authority is revoking a licence, the authority can impose conditions on the licence. The authority can impose one or both of two conditions, these conditions specify that:
 - The dealer can receive scrap metal only between 9.00am and

5.00pm on any day, in effect limiting the dealer’s operating hours; and/or

- Any scrap metal received has to be kept in the form the dealer received it for a set period of time, which cannot be more than 72 hours.

22 There is no equivalent set of conditions for collectors.

Fees

23 The Act provides that an application for a licence must be accompanied by a fee. The fee will be set locally by each local authority on a cost recovery basis. Local authorities will have a duty to have regard to guidance issued by the Secretary of State which outlines the issues that should be considered when setting the fee and what activities the fee can cover. This fee will be an essential component of the new regime as it will provide local authorities with the funding they need to administer the legislation and ensure compliance.

24 There are currently 3 site licences in the Sevenoaks District.

25 The fees have been set for 2024-2025 to include the current inflationary cost and staffing costs of 7% set by Sevenoaks District Council and in liaison with Finance.

Proposed Fee(s)

Type of Application	2023/2024 Current Fee	2024/2025 Proposed Fee
Site Licence - Grant (3 years)	£532	£570
Site Licence - Renewal (3 years)	£449	£481
Collectors Licence Grant/Renewal (3 years)	£324	£347
Minor administrative change to licence	£36	£39
Variation - change of site manager	£193	£207
Variation from collector to site licence	£230	£246
Variation from site to collector licence	£149	£160

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Other options Considered and/or rejected

If Cabinet 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 Scrap Metal Sites and Mobile Collectors was self-financing.

Key Implications

Financial

There are no financial implications resulting from this report. 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.

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Appendices

None

Background Papers

None

Richard Morris
Chief Officer Planning and Regulatory Services

Item 09 – Licensing – Review of Pre-application advice and other Admin Fees

The attached report was considered by the Cleaner & Greener Advisory Committee on 23 November 2023. The relevant Minute extract is below.

Cleaner & Greener Advisory Committee (23 November 2023, Minute 35)

The Head of Licensing Partnership presented the report, which set out the proposed fees for the pre-application advice service for 2024-25. Members' attention was directed to the Supplementary Agenda, which contained a corrected report and appendix which indicated that the fees for 2024-25 would include an inflationary cost of 7%. These fees were rounded to whole numbers as there had been issues previously with payment systems losing the pence in the transaction, which then had to be chased.

Members discussed the report.

Resolved: that it be recommended to Cabinet that the appropriate fee levels as set out in Appendix A of the Supplementary Agenda be approved.

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LICENSING - REVIEW OF PRE-APPLICATION ADVICE CHARGES & OTHER ADMIN FEES

Cabinet - 18 January 2024

Report of: Deputy Chief Executive and Chief Officer - Planning & Regulatory Services

Status: For Decision

Also considered by: Cleaner and Greener Advisory Committee - 23 November 2023

Key Decision: No

This report supports the Key Aim of: Supporting and developing the local economy and providing value for money.

Portfolio Holder: Cllr. Margot McArthur

Contact Officer: Sharon Bamborough , Ext. 7325

Recommendation to Cleaner & Greener Advisory Committee:

That Cabinet be recommended to approve the appropriate fee levels as set out in Appendix A.

Recommendation to Cabinet:

That, subject to the comments of the Cleaner & Greener Advisory Committee, the fees set out in Appendix A be approved.

Reason for recommendation:

To ensure that the licensing function is self-financing, in accordance with the Council's Service and Budget Plan.

Introduction and Background

- 1 The pre-application advice service exists to offer applicants a value-for-money option of coming to experienced officers and being provided very clear advice on how to complete an application, what to apply for etc.

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- 2 In addition to reviewing those charges, it is proposed to introduce a new charge for the Licensing Hub Team to offer pre-application advice/in depth assistance on completing applications for Special Treatments licensing.
- 3 Last year Licensing introduced some small admin charges, this had been driven by increasing demands on our processing team to:
 - Update / amend records with new contact details on lottery registrations,
 - to raise replacement invoices in circumstances where the licence holder hasn't advised on change of details but insists on having an invoice to pay the annual fee due.

Fees

- 4 The fees have been set for 2024-2025 to include the current inflationary cost and staffing costs of 7% set by Sevenoaks District Council and in liaison with Finance.

Available Options

- 5 To approve the proposed fees as set out in Appendix A.
- 6 To reject the proposed fees and continue to provide discretionary services at the existing rates. However, due to resourcing pressures, this option is not considered viable.

Preferred option

- 7 That the proposed fees set out in Appendix A be approved to come into effect 1st April 2024.

Key Implications

Financial

There are no specific financial implications resulting from the matters considered in this report, as the intent is to cover costs of this discretionary service and to maintain a 'self-financing' position for the service. The proposals contained in this report will achieve this.

Legal Implications and Risk Assessment Statement.

Section 93 of the Local Government Act 2003 introduced a general power for Best Value authorities to charge for discretionary services subject to having regard to the statutory guidance issued by the Secretary of State. The power came into force on 18 November 2003 and at the same time the ODPM (Office of the Deputy Prime

Minister) issued guidance for local authorities on how to use this power: ‘General power for Best Value Authorities to Charge for Discretionary Services - Guidance on the Power in the Local Government Act 2003’.

The Guidance on the Power in Section 93 of the Local Government Act 2003 sets out the underlying principles for the introduction of charges for Page 73 Agenda Item 8 discretionary services. It stipulates that such charges must not provide a new source of income and should only cover the cost of provision, i.e. not make a profit. Charges must be based on principles set out in the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Best Value Accounting Code of Practice. A charge can only be made if the recipient agrees to the service.

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.]

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council’s ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment

Conclusions

It is considered that resourcing costs will be better covered, because as a principle, Licensing should be self-financing.

Appendices

Appendix A - existing pre-application advice and other charges and proposed charges for 2024/25.

Background Papers

None

Richard Morris

Deputy Chief Executive and Chief Officer - Planning & Regulatory Services

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APPENDIX A

PRE-APPLICATION ADVICE BY OFFICERS

Covers applications for: Licensing Act 2003	Current Fee 2023/24	Proposed Fee 2024/25
<ul style="list-style-type: none"> • new premises licences • full variations of premises licence • new club premises certificate (CPC) • variation of CPC • provisional statement 		
Gambling Act 2005		
<ul style="list-style-type: none"> • new and variation applications 		
Up to one hour of advice regarding licence applications, including assistance in completing form (hourly rate)	£75.00	£80.00
site visit (to give advice) – up to one hour	£100.00	£107.00
Licensing Act 2003 - Minor variations – up to 30 mins advice on applications (including assessment as to whether suitable as a minor, suggestion on wording of proposed conditions, help completing application etc)	£35.00	£38
Hub team		
Licensing Act 2003	Current Fee 2023/24	Proposed Fee 2024/25
In depth assistance in completing application forms and advice on correct documentation for: <ul style="list-style-type: none"> • Transfer • Variation of Designated premises supervisor • Personal licence 	£40.00 (incl. VAT)	£43.00
In depth assistance in completing Temporary event notices and advice on limits etc	£15.00 (incl. VAT)	£16.00
London Local Authorities Act 1991 part V – Special Treatments - in depth assistance on licence applications per hour	Not currently offered	£50.00
Other admin charges	Current Fee 2023/24	Proposed Fee 2024/25

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Upon request of licence holder, amend and re-issue invoice for statutory annual fee	£10.00	£11.00
Upon request of licence holder, amend contact details for lottery registration	£10.00	£11.00

Item 10 – Financial Monitoring 2023/24 – to the end of November 2023

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract was not available prior to the printing of these papers and will follow when available.

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FINANCIAL MONITORING 2023/24: TO THE END OF NOVEMBER 2023

Cabinet - 18 January 2024

Report of: Deputy Chief Executive and Chief Officer – Finance & Trading

Status: For Consideration

Also considered by: Finance and Investment Advisory Committee – 11 January 2024

Key Decision: No

Executive Summary: This report provides information on the current financial position of the authority and the forecast to March 2024.

This report supports the Key Aim of: Effective Management of Council Resources

Portfolio Holder: Cllr. Kevin Maskell

Contact Officers: Alan Mitchell, Ext. 7483

Adrian Rowbotham, Ext. 7153

Recommendation to Finance and Investment Advisory Committee:

- (a) To note this report and forward any comments to Cabinet.

Recommendation to Cabinet:

- (a) To note this report and consider any comments from Finance and Investment Advisory Committee.

Introduction and Background

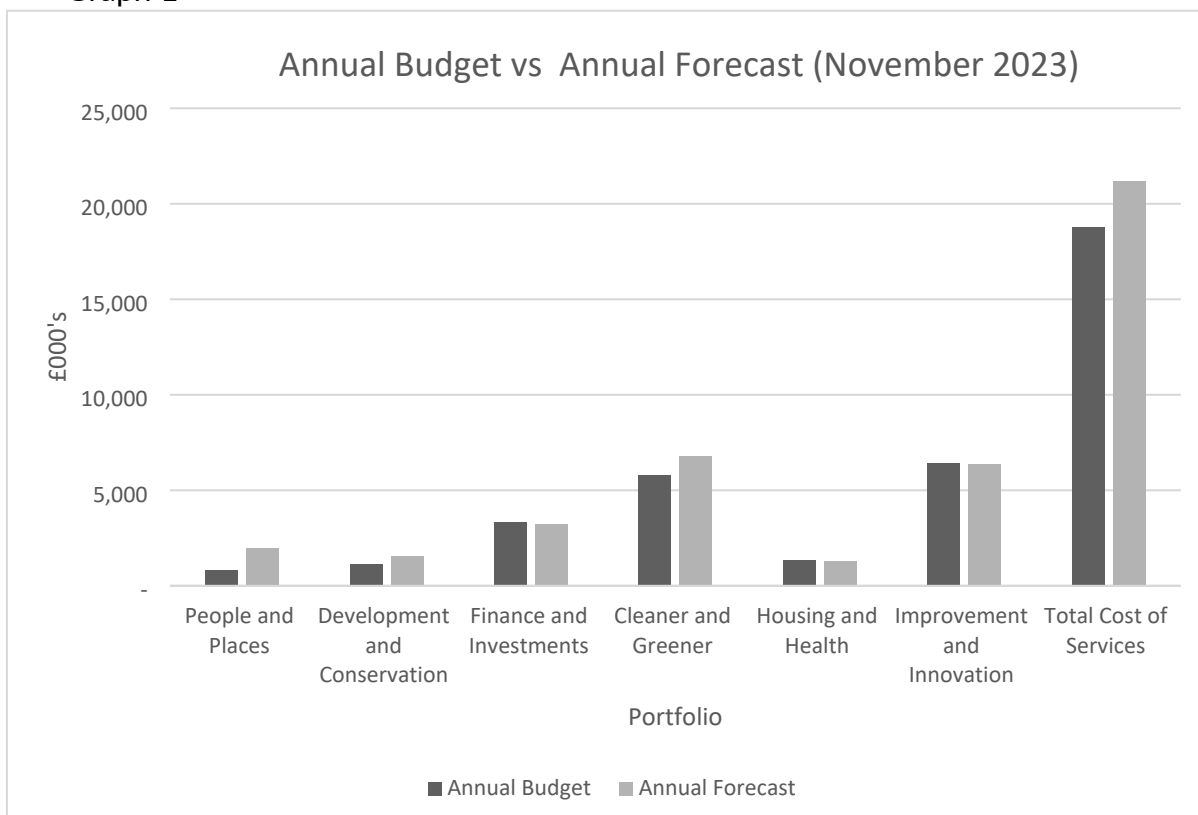
- 1 At the May meeting of the Finance and Investment Advisory Committee a report was presented outlining areas of financial pressure that might materialise during the year ahead (Financial Monitoring 2023/24 – Early Indications).
- 2 The pay award has now been agreed and paid to staff in December. The Pay Award was agreed at £1,925 per person or 3.88% on SCP43 and above and that allowances would also increase by 3.88% and the actual cost was £597,000 above budget. The previous forecast had included a £750,000 but this was

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based on all staff receiving the award but due to vacancies the actual cost was lower.

- 3 Officers have undertaken a number of actions to reduce the forecasted variance from the unfavourable variance of £1.489m reported in July 2023 to an unfavourable of £334,000 at the end of November 2023.
- 4 The graph below shows the Net Service Expenditure forecast against the budget for each portfolio.

Graph 1



- 5 The main areas for the current forecast are summarised in the table below and are detailed in the report.

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Service	Summary	£000's
Corporate - Other	Vacancy pot contributions	(76)
Car Parks	Overachieved income	(251)
CCTV	Staffing and transmission costs	99
Refuse Collection	Agency costs	585
Trade Waste	Agency costs	266
Green Waste	Underachieved income	164
Cesspool Emptying	Underachieved income	90
Depots	Transport repair and income reduction	53
Markets	Contract renewal	78
Planning - Appeals	Appeal costs	136
Planning - Development Management	Service investment and salary costs	107
Planning - Enforcement	Agency costs	79
Swanley Meeting Point	Underachieved income and salary costs	60
Leisure Contract - Interim	Impact of the interim leisure contract	1,338
Leisure Contract - Interim	Funded from Reserves	(1,338)
Leisure Contract	Grant received	(188)
Interest Receipts	Higher Interest rates	(565)
Business Rates	Expected to be above safety net level	(91)
Planning Services	Provisional Supplementary Estimate	(120)
Other	small variances	(60)
Pay award	Cost in addition to budget	597
Salaries	Vacancies	(629)
Total Forecasted Deficit		<u>334</u>

Areas of Note

- 6 Interest Receipts – the Council made the decision to invest £5m for a 5 year period on multi-asset income funds which has resulted in excellent returns resulting in a favourable forecast variance of (£565,000).
- 7 The interim Leisure Contract is showing an unfavourable forecast of £1.338m but as agreed by members in at Council in April 2023 this is part of the approved £1.83m budget over two years. This is being funded initially from the Budget Stabilisation Reserve, so the net effect is £0 on the bottom line forecasted position.

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- 8 Leisure Contracts is forecasting a favourable variance of £188,000 due to a grant of £132,000 being received from the Government's Swimming Pool Support Fund to contribute to running costs and also income for the White Oak Leisure Centre contract.

Net Service Expenditure - Favourable Variances

- 9 There have been a number of staff vacancies this year (£629,000). These include General Admin (Post/Scanning) , Private Sector Housing and Support – Contact Centre. The savings forecasted are partly being used to offset agency costs used to cover the vacancies and contribute to the overall financial position.
- 10 This saving is in addition to £76,000 over the budgeted vacancy pot contributions of £160,000.

Net Service Expenditure - Unfavourable Variances

- 11 Direct Services are reporting an overall unfavourable net variance of £1.0m after additional car parking income. This forecast reflects the cost of running the service at current waste levels and service delivery standards. It reflects higher agency staff costs and commercial waste, pest control and cesspool emptying not achieving income targets and the cost of maintaining a large fleet. Officers are producing a plan to manage or mitigate this future position and members are being engaged as part of that process.
- 12 Planning – Development Management are forecasting an unfavourable variance of £107,000 due to the additional investment required to deliver the service and salary costs.
- 13 Planning Appeals is reporting an unfavourable variance of £136,000 due to the Council losing the appeal on the Oakhill Road planning application. Also £20,000 was spent to clear dangerous trees on the site due to the council owning the site for longer than planned. These costs are proposed to be offset by the utilisation of supplementary estimates which reflects that this expenditure is outside the scope of the budget process.
- 14 Print Shop is reporting an unfavourable variance of £60,000 due to underachievement of external business income and salary costs.
- 15 Swanley Meeting Point – Business Hub is reporting an unfavourable variance of £21,000 due to an overspend of salaries as the hub becomes settled and income streams are established.

Capital Programme

- 16 The Capital programme budget for 2023/24 is £33m. Current Progress on the projects is shown within Appendix B and the forecast position is currently £10.7m.

- 17 The difference between forecast and budget is due to revision of the planned Affordable Housing acquisition and a delay in the Bevan Place and White Oak Residential schemes.

Future Issues and Risk Areas

- 18 As mentioned above the early indications report was presented at both the Finance and Investment Advisory Committee and Cabinet in May and set out the financial risks that may impact the council in 2023/24 and future years. Many of those issues have been covered within this report and will continue to be monitored and reported on as well as forming part of the 2024/25 budget setting process.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement

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.

Detailed budget monitoring is completed on a monthly basis where all variances are explained. Future risk items are also identified.

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

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Appendices

Appendix A – November 2023 Budget Monitoring Commentary

Appendix B – November 2023 Financial Information

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

People and Places	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Domestic Abuse Duty	0	-23	-23	0	Home Office funding received in advance to support post salary and project budget. Post recently became vacant and is being recruited to.
Leisure Contract	-201	-319	-117	-188	Quarterly management fee for White Oak Leisure Centre invoiced and received. Funding received in advance from successful bid to Swimming Pool Support Fund.
Leisure Contract - Interim	0	806	806	1,338	Impact of the interim leisure contract (Asset purchase, mobilisation, Q1 management fee and utilities).
Police & Crime Commissioners (PCCs)	0	-23	-23	0	Funding received in advance from Police and Crime Commissioner.
Tourism	17	-124	-141	0	Grant received ahead of spend.
Future Issues/Risk Areas					Impact of the interim leisure contract as part of an open book facility with Everyone Active continues to be monitored. A budget of £1.83m was agreed by Council in April 2023 for a 2 year period, which will need to be repaid. Currently £1.3m is the estimated cost for year 1, which has been forecast. It should be noted that in Quarter 1, the Council needed to negotiate the transfer of utilities (electricity and gas), following Sencio's administration. The utility provider held the Council on a standard tariff whilst it undertook the transfer of the utility contracts from Sencio, with this additional cost being borne by the Council.
					The impact of Kent County Council's budget savings may impact the Council, notably as any reductions in youth, community safety or communities funding, may see a possible cost and customer shunt to us.

Development and Conservation	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Building Control Non Fee	50	64	14	28	Forecast salary overspend due to pay award.
Building Control Fee	-147	-143	3	19	Forecast overspend due to the above and agency staff required due to staff vacancies.
Local Development Plan	0	75	75	0	Spend to be funded from Local Development Plan reserve.
Planning - Appeals	145	231	85	136	Expenditure on Hearings and Public Inquiries, including significant spend following an appeal hearing on Oakhill Rd
Planning - CIL Administration	-21	-15	6	20	Forecast unachieved on CIL Admin fees.
Planning - Development Management	-25	-56	-31	107	Income ahead of budget as a result of a large fee application.
Planning - Enforcement	211	292	81	79	Additional staffing costs due to contractors covering vacant posts.
Administrative Expenses - Planning Services	33	61	28	39	Recruitment advertising cost and training costs.
Future Issues/Risk Areas	<p>There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts. Recruiting to vacant posts continues to be difficult. The financial impact of proposed changes to the Planning System will need to be carefully considered.</p>				

Finance and Investment	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Asset Maintenance CCTV	13	4	-9	-15	No further spend required on CCTV at the depot.
Dartford Rev&Ben Partnership Hub (SDC costs)	1,396	1,560	164	0	Additional software costs to be covered by reserve. Additional resource to be partly funded by Dartford BC.
Dartford Audit Partnership Hub (SDC Costs)	157	126	-31	0	Underspend on salaries due to vacancy.
Local Tax	-68	-120	-52	-63	New Burdens funding ahead of spend for government new service implementation.
Misc. Finance	818	798	-20	-22	Underspend on Covid 19 related cleaning materials.
Administrative Expenses - Finance	14	28	15	10	Additional expenditure on consultancy to implement Direct Debits
Support - Exchequer and Procurement	153	142	-11	-8	An underspend on salaries due to all posts being budgeted at top of band but not all posts are being paid this. In addition a salary sacrifice has reduced pay costs.
Support - Legal Function	196	208	11	0	Vacant Post will offset Locum - (Jan-Mar £15k budget)
Future Issues/Risk Areas					

Finance and Investments	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Asset Maintenance Argyle Road	55	35	-20	0	Spend currently behind profile.
Asset Maintenance Leisure	132	40	-92	0	Budget being treated as an emergency fund due to age of assets.
Asset Maintenance Support & Salaries	67	30	-37	4	Spend currently behind profile.
Car Parks	-1,275	-1,411	-136	-251	Day tickets charge income is exceeding budget but season tickets income is underachieving. Utilities bills higher than budget.
CCTV	195	253	58	99	Increased staffing costs to cover vacancies and training. Transmission cost savings not yet implemented due to market conditions. Cost review with BT (Supplier) underway.
Car Parking - On Street	-327	-365	-38	0	On Street day tickets exceeding budget.
Refuse Collection	180	534	354	585	High quantities of waste and recycling still continue. Increased agency and salary costs to cover sickness and annual leave, along with the 2023/24 pay award affect.
Trade Waste	-140	84	223	266	Income forecast lower than budget. Waste disposal charges per tonne have significantly increased.
Green Waste	-124	-36	88	164	Income expected to be lower than budget. Underspend on vacant posts, offset by agency costs.
Street Cleansing - Operational	10	-47	-57	-42	Lower transport costs and increased recharges for services, along with lower repair costs. A grant of £25k received for The Gum Project.
Transport Workshop	42	52	10	12	Reduced income on repairs due to investment of new vehicles, offset by reduced expenditure across the services.
Cesspool Emptying	-60	1	61	90	Lower demand for service than budget assumption. Service making a loss.
Pest Control	-32	-2	30	49	Lower demand for service than budget assumption. Service making a loss.
Fly Tipping	-30	-3	27	32	Service requiring major repairs to vehicles.
Fleet	-99	-135	-36	-32	Underspend due to a subsidised levy on testing HGV vehicles. This ended on 1st August 2023. Full costs are now being paid. Fleet servicing recharge lower due to the leasing of new vehicles.
Depots	-47	-6	41	53	Internal recharges relating to work orders from other departments lower than budget. Also income reduction.
Emergency - Operational	-18	-29	-11	-13	Lower transport costs due to keeping vehicle and equipment longer.
Grounds Maintenance	-22	-15	7	28	Overspend due to agency costs.
Emergency	55	48	-8	-12	Standby has been quiet through the summer, but we are entering winter preparedness which may see an increase in standby spend.
Parking Enforcement - Tandridge DC	-2	-24	-22	-8	Work relating to 2022/23 still continuing for Tandridge DC for a fee. Income collected relating to 2022/23 to be paid over.
Estates Management - Buildings	19	47	28	49	Overspend forecast due to sinkhole at Shurlock Avenue risk management.
Housing Other Income	-9	-40	-30	-27	Overachieved income.
Licensing Partnership Hub (Trading)	-1	-22	-22	-0	Hub expenditure currently behind budget profile.
Licensing Regime	60	40	-20	-12	Forecast salary underspend.

Finance and Investments	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Markets	-303	-255	48	78	Contracts renewed in April 2023. Swanley Sunday market is not currently achieving target levels but being reviewed with the operator on a regular basis.
Off-Street Enforcement	40	8	-31	-41	Forecast to overachieve on penalty notice income.
Parks - Greensand Commons Project	0	26	26	0	Externally funded project. Spend will be reclaimed.
Parks and Recreation Grounds	94	84	-11	-15	Repairs and maintenance charges lower than budget.
Parks - Rural	126	159	33	40	Tree works on Oakhill Rd required due extended SDC ownership following the Development Management Committee refusal. (£20k). Works to Mill Pond also contributing to the adverse forecast.
Street Cleansing	1,046	1,057	11	21	Underachieved income.
Support - Central Offices	477	454	-23	-4	Forecast an overspend on gas and a underspend on electricity supply and repairs and maintenance to Argyle Road. Favourable variance should decrease as we head into the winter months.
Support - Central Offices - Facilities	159	131	-29	-13	Underspend due to invoices due from previous cleaning contract and current vacant posts
Support - General Admin (Post/Scanning)	164	94	-70	-58	Forecast EOY position due to underspend on salaries coupled with corporate economy of scale on postage
Support - Direct Services	35	42	7	11	Higher postage costs and staff advertising for vacant posts attributed to adverse forecast.
Future Issues/Risk Areas					Government changes to refuse collection and funding 2024/25

Housing and Health	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Gypsy Sites	-4	-1	3	12	Predicted under recovery in rents from vacant plots. Work to refurbish 3 pitches is due to complete in December and new tenancies have been awarded, which will help recover some of the rental income. Additional funding is being sought to refurbish a further 7 pitches.
Homeless	455	438	-17	-16	Increased demand on temporary accommodation, with less than 30% Housing Benefit able to be claimed.
Housing	128	130	2	18	Additional staff costs, which are funded externally. Overspend highlighted will be offset by external funding.
Housing Energy Retraining Options (HERO)	39	-10	-49	-24	Salary underspend due to vacant posts - HERO Housing Team Leader current vacant, but an interim appointment from existing staff will cover this post.
Homes for the Ukrainians	28	-569	-597	0	Funding received in advance from Kent County Council with property checks, housing and staffing resource in place.
KCC- Household Support Fund	0	94	94	0	KCC allocated funding. Phase 4 of the Household Support Fund has been drawn down allocated to low-income households/pensioners to support the cost of living.
Private Sector Housing	141	102	-39	-60	Home Upgrade Grant salary cost received in advance. Salary underspend due to vacant posts - two Senior Private Sector Housing Officers since recruited to.
Rough Sleepers Initiative 2022-25	29	-52	-81	0	Rough Sleepers Initiative funding - received in advance. On track to spend in full.
Rough Sleepers Programme	0	-45	-45	0	Funding received in advance from Rough Sleeping Accommodation Programme and supporting staffing, customer support and accommodation support.
One Year - Kent Public Health	-10	-36	-25	0	Funding received from Dartford, Gravesham & Swanley Health and Care Partnership to support a recently recruited community and health projects officer. Post recruited to.
Housing and Health Project	16	0	-16	0	Externally funded project now evaluated and closed.
Future Issues/Risk Areas					<p>New placements into Temporary and Emergency Accommodation have started to increase due to the cost of living. Securing affordable move on accommodation in the district for existing placements, continues to be a challenge and impact the budget. The acquisition by Quercus Housing of Gladedale House in Westerham, 27-29 High Street and 11-13 High Street, Swanley has brought forward 41 new affordable homes in the district. A further 8 units will come on line in early 2024 to support Homes for Ukraine households living in the District. The Council has worked with the Heart Foundation to secure the lease of a rental property (Stay Green House) in the district.</p> <p>A pressure on homelessness and temporary accommodation is being seen as host placements end as part Govt's Homes for Ukraine Scheme. Alongside pressures from other resettlement schemes, including the Afghan Resettlement Scheme is only serving to increase the pressure on budget resources. The Council has received funding to support some costs associated with Homes for Ukraine, but this support ends on 31 March 2024. Capital funding secured by Quercus Housing via the Local Authority Housing Fund will also secure the acquisition of affordable housing to support refugee schemes - however, all funding must be spent by 31 March 2024.</p> <p>As a result of closure order on the Hever Road Gypsy and Traveller site due to criminal damage, rents and HB reclaims has reduced due to x7 tenancy evictions. A new Allocations Policy was approved in July and funding was secured to bring x3 of the most damaged pitches and utility blocks back into use, with works being completed in October 2023 and the pitches allocated.</p> <p>The rising cost of living is impacting households in the district and we are starting to see homeless presentations from working households, who are unable to afford rising rental costs, utility and food costs.</p> <p>Although the council is predicting to come in on budget for this current financial year for emergency accommodation spend due to a combination of external funding, increased homelessness prevention and the delivery of new homes by Quercus Housing to alleviate homelessness pressures, it should continue to be highlighted as a potential risk, as the cost of living pressures continues to impact many households, resulting in increased homelessness and demand for emergency accommodation. The Council is also seeing its highest numbers of homeless approaches due to domestic abuse.</p>

Improvement and Innovation	Budget to Date £'000	Actual to November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Asset Maintenance IT	187	144	-43	0	As per long term asset maintenance plan.
Corporate Management	681	652	-28	-11	Underspend on salaries and external services
Corporate - Other	75	0	-75	-76	Additional savings generated from vacant posts exceeding budget.
Economic Development	34	21	-13	0	Current underspend on services, spend in future months planned.
Swanley Meeting Point	40	85	45	60	Overspend on salaries and agency costs. Underachieving income.
Economic Development Property	423	345	-78	-89	Underspend on salaries due to vacancies be filled.
UK Share Prosperity Fund	0	-150	-150	0	Grant received ahead of spend.
Elections	63	291	228	3	Costs of the May 2023 elections to be partially recharged to Town & Parish Councils. District costs to be met from earmarked elections reserve
Land Charges	-34	-3	31	45	Forecast underachievement on income of around £68k partially offset by a draw on previous grants received
Members	328	309	-18	2	Members Allowance pay award now included which was higher than assumed in the budget, slightly offset by underspends on travel and refreshments.
Register of Electors	151	147	-4	44	Forecast adverse variance at year-end related to costs of postage for household notification letter, to be met from earmarked reserve
Administrative Expenses - Legal and Democratic	59	37	-22	-19	Current variance due to underspend on printing / & Publications offered up a new saving ? Query show as forecast underspend???
Support - Contact Centre	529	490	-40	-14	Underspend on salaries due to staff turnover
Support - General Admin (Print Shop)	37	62	25	49	Underachieved income slightly offset by an underspend on vacant post and materials. Underachieved income from internal print charges off-set by corresponding underspends in service internal print budgets.
Support - IT	885	888	3	11	Forecast overspend primarily due to impact of pay award
Support - Human Resources	399	380	-19	-18	Current variance due to review of training spend
Future Issues/Risk Areas					

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Appendix B : Summary by Service

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
People & Places SDC Funded	£'000	£'000	£'000	£'000	£'000
All Weather Pitch	(4)	(3)	(0)	(5)	-
Community Development Service Provisions	(6)	(6)	-	(6)	-
Community Housing Fund	(0)	-	(0)	-	-
Community Safety	85	88	(2)	132	0
The Community Plan	24	26	(2)	39	0
Grants to Organisations	183	185	(2)	202	1
Leisure Contract	(319)	(201)	(117)	142	(188)
Leisure Contract - Interim	806	-	806	1,338	1,338
Leisure Development	8	11	(4)	15	-
Admin Expenses - People & Places Communities	3	10	(7)	11	(8)
Tourism	(124)	17	(141)	35	-
West Kent Partnership	1	8	(7)	-	-
Youth	47	41	5	56	(1)
Total People & Places SDC Funded	704	175	528	1,959	1,143

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
People & Places Externally Funded	£'000	£'000	£'000	£'000	£'000
Youth Mentoring Projects	(1)	-	(1)	-	-
Compliance & Enforcement	0	-	0	-	-
Domestic Abuse Duty	(23)	-	(23)	-	-
KCC Helping Hands	(0)	-	(0)	-	-
Local Strategic Partnership	6	-	6	-	-
Police & Crime Commissioners (PCCs)	(23)	-	(23)	-	-
Community Sports Activation Fund	(7)	-	(7)	-	-
West Kent Enterprise Advisor Network	14	17	(3)	-	-
West Kent Partnership Business Support	(3)	-	(3)	-	-
People & Places Externally Funded	(38)	17	(55)	-	-
Total People & Places	665	192	473	1,959	1,143

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Development and Conservation	£'000	£'000	£'000	£'000	£'000
Building Control Non Fee	64	50	14	94	28
Building Control Fee	(143)	(147)	3	(201)	19
Design and Conservation	108	106	2	159	-
Dangerous Structures	-	2	(2)	1	(2)
Planning Policy	354	350	4	562	-
Local Development Plan	75	-	75	-	-
Planning - Appeals	231	145	85	334	136
Planning - CIL Administration	(15)	(21)	6	(39)	20
Planning - Counter	(1)	-	(1)	-	6
Planning - Development Management	(56)	(25)	(31)	152	107
Planning - Enforcement	292	211	81	411	79
Planning - Development Management - Software Project	-	-	-	-	-
Administrative Expenses - Building Control	1	5	(4)	1	(3)
Administrative Expenses - Planning Services	61	33	28	89	39
Total Development and Conservation	969	709	261	1,562	428

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Finance and Investments	£'000	£'000	£'000	£'000	£'000
Asset Maintenance CCTV	4	13	(9)	4	(15)
Asset Maintenance Countryside	1	6	(5)	9	-
Asset Maintenance Direct Services	27	29	(2)	43	-
Asset Maintenance Playgrounds	5	11	(6)	16	-
Asset Maintenance Public Toilets	10	11	(1)	16	-
Benefits Admin	219	211	8	181	(6)
Benefits Grants	(19)	(17)	(3)	(25)	-
Corporate Management	0	-	0	-	-
Dartford Rev&Ben Partnership Hub (SDC costs)	1,560	1,396	164	(3)	-
Dartford Audit Partnership Hub (SDC Costs)	126	157	(31)	(1)	0
Housing Advances	-	1	(1)	1	-
Local Tax	(120)	(68)	(52)	(78)	(63)
Misc. Finance	798	818	(20)	1,483	(22)
Administrative Expenses - Chief Executive	5	9	(4)	18	(1)
Administrative Expenses - Finance	28	14	15	33	10
Administrative Expenses - Revenues and Benefits	-	-	-	-	-
Administrative Expenses - Strategic Property	8	3	5	3	-
Support - Rev & Ben Control	169	165	4	245	(4)
Support - Counter Fraud	42	42	(0)	66	2
Support - Audit Function	145	138	7	202	(9)
Support - Exchequer and Procurement	142	153	(11)	217	(8)
Support - Finance Function	185	191	(6)	283	7
Support - Legal Function	208	196	11	289	0
Support - Procurement	6	5	1	7	-
Support - Property Function	42	40	2	66	5
Treasury Management	92	92	1	130	(1)
Total Finance and Investments	3,682	3,615	66	3,206	(104)

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Cleaner and Greener	£'000	£'000	£'000	£'000	£'000
Asset Maintenance Argyle Road	35	55	(20)	82	-
Asset Maintenance Other Corporate Properties	24	24	0	36	-
Asset Maintenance Hever Road	24	28	(4)	42	-
Asset Maintenance Leisure	40	132	(92)	197	-
Asset Maintenance Support & Salaries	30	67	(37)	153	4
Asset Maintenance Sewage Treatment Plants	-	6	(6)	0	(9)
Bus Station	10	10	0	9	-
Car Parks	(1,411)	(1,275)	(136)	(1,880)	(251)
CCTV	253	195	58	418	99
Civil Protection	32	36	(4)	52	0
Car Parking - On Street	(365)	(327)	(38)	(352)	-
Refuse Collection	534	180	354	919	585
Trade Waste	84	(140)	223	113	266
Green Waste	(36)	(124)	88	121	164
Street Cleansing - Operational	(47)	10	(57)	2	(42)
Transport Workshop	52	42	10	89	12
Cesspool Emptying	1	(60)	61	15	90
Pest Control	(2)	(32)	30	4	49
Fly Tipping	(3)	(30)	27	(13)	32
Fleet	(135)	(99)	(36)	(17)	(32)
Depots	(6)	(47)	41	26	53
Emergency - Operational	(29)	(18)	(11)	(30)	(13)
Grounds Maintenance	(15)	(22)	7	1	28
Environmental Enforcement	1	4	(3)	3	(3)
EH Commercial	-	0	(0)	-	-
EH Animal Control	-	-	-	-	-

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
EH Environmental Protection	-	0	(0)	-	-
Environmental Health Services	525	531	(7)	806	4

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Emergency	48	55	(8)	71	(12)
Parking Enforcement - Tandridge DC	(24)	(2)	(22)	(8)	(8)
Estates Management - Buildings	47	19	28	46	49
Estates Management - Grounds	89	90	(1)	135	0
Housing Other Income	(40)	(9)	(30)	(41)	(27)
Housing Premises	(2)	3	(6)	13	(5)
Licensing Partnership Hub (Trading)	(22)	(1)	(22)	(0)	(0)
Licensing Partnership Members	-	-	-	-	-
Licensing Regime	40	60	(20)	61	(12)
Asset Maintenance Operatives	3	8	(6)	9	(3)
Markets	(255)	(303)	48	(330)	78
Decarbonisation Fund Net ZERO 2030	55	55	(0)	66	-
Off-Street Enforcement	8	40	(31)	20	(41)
Parks - Greensand Commons Project	26	-	26	-	-
Parks and Recreation Grounds	84	94	(11)	128	(15)
Parks - Rural	159	126	33	234	40
Public Transport Support	-	0	(0)	0	-
Refuse Collection	1,941	1,939	2	2,848	(10)
Administrative Expenses - Direct Services	1	-	1	-	-
Administrative Expenses - Property (Facilities Management)	0	-	0	-	-
Administrative Expenses - Health	5	2	3	6	3
Administrative Expenses - Licensing	1	3	(3)	4	-
Administrative Expenses - Property	2	(0)	2	-	-
Administrative Expenses - Transport	7	4	4	7	-
Street Cleansing	1,057	1,046	11	1,590	21
Support - Central Offices	454	477	(23)	596	(4)
Support - Central Offices - Facilities	131	159	(29)	243	(13)
Support - General Admin	0	1	(1)	0	(1)
Support - General Admin (Post/Scanning)	94	164	(70)	182	(58)

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Support - Health and Safety	-	5	(5)	5	-
Support - Direct Services	42	35	7	62	11
Taxis	(10)	(10)	0	25	(0)
Public Conveniences	24	26	(2)	34	(3)
Total Cleaner and Greener	3,559	3,230	329	6,798	1,028

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Housing and Health	£'000	£'000	£'000	£'000	£'000
Gypsy Sites	(1)	(4)	3	9	12
Community Health and Wellbeing	22	24	(2)	37	0
Homeless	438	455	(17)	677	(16)
Housing Register	80	85	(5)	129	2
Disabled Facilities Grant Administration	-	-	-	(55)	-
Housing	130	128	2	201	18
Accommodation Service	53	53	0	77	(2)
Homelessness Prevention	(0)	-	(0)	-	-
Housing Energy Retraining Options (HERO)	(10)	39	(49)	37	(24)
Homes for the Ukrainians	(569)	28	(597)	-	-
KCC- Household Support Fund	94	-	94	-	-
Private Sector Housing	102	141	(39)	160	(60)
Rough Sleepers Initiative 2022-25	(52)	29	(81)	-	-
Rough Sleepers Programme	(45)	-	(45)	-	-
Admin Expenses - People & Places Housing	4	3	1	2	-
One You - Your Home Project	(0)	-	(0)	-	-
One You - Kent Public Health	(36)	(10)	(25)	-	-
Housing and Health Project	-	16	(16)	-	-
Homelessness Funding	(284)	(285)	0	-	-
KCC Specialist Weight Management	0	-	0	-	-
Total Housing and Health	(73)	702	(774)	1,273	(68)
Improvement and Innovation	£'000	£'000	£'000	£'000	£'000
Action and Development	2	5	(3)	8	-
Asset Maintenance IT	144	187	(43)	280	-
Civic Expenses	17	18	(1)	18	-

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Consultation and Surveys	-	-	-	-	(4)
Corporate Management	652	681	(28)	1,143	(11)
Corporate - Other	-	75	(75)	86	(76)
Democratic Services	118	125	(7)	189	1
Economic Development	21	34	(13)	47	-
Swanley Meeting Point	85	40	45	120	60
Economic Development Property	345	423	(78)	395	(89)
UK Share Prosperity Fund	(150)	-	(150)	-	-
Elections	291	63	228	139	3
External Communications	157	153	4	238	5
Land Charges	(3)	(34)	31	(2)	45
Members	309	328	(18)	496	2
Performance Improvement	7	7	(0)	0	-
Register of Electors	147	151	(4)	265	44
Administrative Expenses - Legal and Democratic (Electoral)	0	-	0	-	-
Administrative Expenses - Corporate Services	13	11	3	14	-
Administrative Expenses - Legal and Democratic	37	59	(22)	51	(19)
Administrative Expenses - Transformation and Strategy	9	4	6	5	-
Administrative Expenses - Human Resources	3	2	1	3	-
Street Naming	(2)	(3)	1	(4)	-
Support - Contact Centre	490	529	(40)	733	(14)
Support - Customer Insights	161	166	(5)	252	3
Support - General Admin	12	16	(3)	236	(2)
Support - General Admin (Print Shop)	62	37	25	68	49
Support - IT	888	885	3	1,098	11
Support - Nursery	0	-	0	-	-
Support - Human Resources	380	399	(19)	504	(18)
Total Improvement and Innovation	4,196	4,358	(162)	6,382	(12)

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Total SDC	12,998	12,806	194	21,181	2,416

Appendix B : Salaries

Position as at the end of November 23	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast £'000	Annual Variance £'000	Annual Variance %
Development and Conservation					
Building Control	207	399	326	(73)	-18%
Planning Services	1,482	2,215	2,431	216	10%
	1,689	2,614	2,757	143	5%
Finance and Investments					
Chief Executive	146	226	234	8	4%
Finance	676	1,085	1,051	(34)	-3%
Revenues and Benefits	1,132	1,786	1,774	(12)	-1%
Strategic Property	438	689	677	(12)	-2%
	2,392	3,785	3,736	(50)	-1%
Cleaner and Greener					
Direct Services	3,056	4,872	4,910	38	1%
Property (Facilities Management)	164	287	261	(26)	-9%
Health	436	677	701	24	4%
Licensing	364	591	578	(14)	-2%
Property	151	225	239	14	6%
Transport	401	621	632	11	2%
	4,572	7,275	7,321	47	1%
Housing and Health					
Places Housing	488	907	798	(110)	-12%
	488	907	798	(110)	-12%
Improvement and Innovation					
Legal and Democratic (Electoral)	166	249	260	11	4%
Corporate Services	1,171	1,808	1,813	4	0%
Legal and Democratic	306	448	456	8	2%
Transformation and Strategy	425	701	677	(23)	-3%
Human Resources	311	477	486	9	2%
	2,378	3,683	3,692	9	0%
People and Places					
Places Communities	227	351	356	5	1%
	227	351	356	5	1%
Sub Total	11,746	18,616	18,659	44	0%
Council Wide - Vacant Posts	0	35	(41)	(76)	-215%
Staff Recruitment and Retention	0	74	74	0	0%
TOTAL SDC Funded Salary Costs	11,746	18,725	18,693	(32)	0%
Places Communities*	98	129	129	0	0%
Places Housing*	313	348	348	0	0%
Strategic Property*	104	229	229	0	0%
Externally Funded Total	515	706	706	0	0%
TOTAL Salary Costs	12,261	19,513	19,397	(32)	0%

*Externally Funded & Funded from other sources (gross figures). Overspendings here are matched by external funding and represent additional resources secured for the Council since the budget was set

Agenda Item 10

Appendix B : Staffing Stats - Position as at the end of November 2023	Budget FTE*	Staff FTE	Agency FTE	Casual FTE	November 2023 Total	October 2023 Total2
Development and Conservation						
Building Control	7.00	6.41			6.41	6.41
Planning Services	40.76	46.31			46.31	47.06
Finance and Investments						
Chief Executive	1.00	1.00			1.00	1.00
Finance	18.00	17.00			17.00	17.00
Revenues and Benefits	42.30	39.18		0.21	39.39	41.02
Strategic Property	10.00	9.81			9.81	9.95
Cleaner and Greener						
Direct Services	125.68	116.28	19.84	0.33	136.45	146.84
Health	11.99	11.58			11.58	12.58
Licensing	12.20	11.80			11.80	11.80
Property	5.00	4.81			4.81	4.81
Transport	16.62	14.97			14.97	13.38
Housing and Health						
Housing	18.31	15.93			15.93	15.34
Improvement and Innovation						
Corporate Services	50.61	39.99			39.99	39.99
Legal and Democratic	7.00	6.00	1.00		7.00	6.75
Transformation and Strategy	19.35	17.35			17.35	17.35
Human Resources	8.76	8.76			8.76	8.76
People and Places						
Communities & Business	4.50	4.00			4.00	4.00
Sub Total	399.08	371.18	20.84	0.54	392.56	404.04
Externally Funded						
People & Places	2.95	3.81			3.81	3.81
People & Places - Housing	8.00	11.81			11.81	11.81
Strategic Property (Ext)	4.95	4.55			4.55	4.55
Sub total	15.90	20.17	0.00	0.00	20.17	20.17
Total	414.98	391.35	20.84	0.54	412.73	418.15
Number of staff paid in November 23: 416 permanent, Casuals 2						

6 Investment Returns

	<i>Actuals</i> 21/22	<i>Actuals</i> 22/23	<i>Actuals</i> 23/24	<i>Budget</i> 23/24	<i>Variance</i>	<i>Forecast</i> 23/24
APR	1,900	8,467	36,190	15,311	20,879	36,200
MAY	1,620	11,405	43,064	15,410	27,654	43,100
JUN	1,829	24,843	76,805	17,313	59,492	77,000
JUL	2,261	47,663	77,342	23,191	54,151	77,000
AUG	2,471	46,360	84,557	23,528	61,029	85,000
SEP	1,774	40,302	92,901	22,843	70,058	93,000
OCT	1,696	47,257	95,491	26,262	69,229	95,000
NOV	2,963	57,529	90,296	27,553	62,743	90,000
DEC	3,467	59,754		31,748		71,748
JAN	4,958	78,253		33,343		73,343
FEB	7,065	57,532		28,674		58,674
MAR	8,424	38,981		22,826		52,826
	40,428	518,346	596,646	288,002	425,235	852,891

INVESTMENT RETURNS (CUMULATIVE)

	<i>Actuals</i> 21/22	<i>Actuals</i> 22/23	<i>Actuals</i> 23/24	<i>Budget</i> 23/24	<i>Variance</i>	<i>Forecast</i> 23/24
APR	1,900	8,467	36,190	15,311	20,879	36,200
MAY	3,520	19,872	79,254	30,721	48,533	79,300
JUN	5,349	44,715	156,059	48,034	108,025	156,300
JUL	7,610	92,378	233,401	71,225	162,176	233,300
AUG	10,081	138,738	317,958	94,753	223,205	318,300
SEP	11,855	179,040	410,859	117,596	293,263	411,300
OCT	13,551	226,297	506,350	143,858	362,492	506,300
NOV	16,514	283,826	596,646	171,411	425,235	596,300
DEC	19,981	343,580		203,159		668,048
JAN	24,939	421,833		236,502		741,391
FEB	32,004	479,365		265,176		800,065
MAR	40,428	518,346		288,002		852,891

Position as at the end of November 23	23/24 Opening Balance	Position as at the end of November 23	23/24 Cumulative Movement to Date
E Earmarked Reserve - Budget Stabilisation	(6,830)	(6,835)	(5)
E Earmarked Reserve - Financial Plan	(3,889)	(3,562)	327
E Earmarked Reserve - NNDR Safety Net Deficit Reserve	(2,564)	(2,564)	-
E Earmarked Reserve - Vehicle Renewal (DAA)	(1,395)	(1,395)	-
E Earmarked Reserve - Carry Forward Items (DAC)	(1,313)	(1,313)	-
E Earmarked Reserve - Housing & Commercial Growth Fund	(566)	(566)	-
E Earmarked Reserve - Homelessness Prevention	(541)	(541)	-
E Earmarked Reserve - IT Asset Maintenance	(598)	(516)	82
E Earmarked Reserve - Capital Expenditure Reserve	(500)	(500)	-
E Earmarked Reserve - Property Investment Strategy Maintenance Reserve	(311)	(455)	(144)
E Earmarked Reserve - Pension Fund Valuation Adj.	(339)	(348)	(9)
E Earmarked Reserve - Local Plan/LDF	(294)	(323)	(29)
E Earmarked Reserve - Action and Development	(296)	(296)	-
E Earmarked Reserve - Vehicle Insurance (DAZ)	(279)	(279)	-
E Earmarked Reserve - Development Services Reserve	(35)	(194)	(160)
E Earmarked Reserve - District Elections (DAZ)	(176)	(176)	-
E Earmarked Reserve - Re-organisation	(164)	(164)	-
E Earmarked Reserve - NETZERO	(134)	(153)	(19)
E Earmarked Reserve - Community Infrastructure Levy Administration (CIL)	(152)	(152)	-
E Earmarked Reserve - Capital Financing	-	(148)	(148)
E Earmarked Reserve - Community Development Reserve	(147)	(147)	-
	(20,521)	(20,626)	(105)
Other Earmarked Reserves (balances <£100k)	(532)	(465)	67
Total Earmarked Reserves	(21,053)	(21,091)	(38)
General Fund	(1,800)	(1,800)	-
Total Reserves	(22,853)	(22,891)	(38)

Capital Monitoring Dashboard - November 2023

Description Of Scheme	Funding Source	Approved Gross Cost of Scheme	Total Expenditure from date of adoption to 31 March 2023	2023/2024				Spend Forecast for Later Years			Total Project Expenditure	Total Project Variance
				Budget	Spend YTD	Forecast Outturn	Forecast Variance 2023/2024	2024/2025	2025/2026	2026/2027 and future years		
		£	£	£	£	£	£	£	£	£	£	
White Oak Leisure Centre	External Borrowing & Capital Receipts	22,866,000	21,814,485	298,000	328,919	328,919	30,919	0	0	0	22,143,404	(722,596)
White Oak Leisure centre - Orchards Academy	Capital Receipts	161,955	0	0	0	0	0	161,955	0	0	161,955	0
Burlington Mews	Capital Receipts	16,000		8,000	0	0	(8,000)	0	0	0	0	(16,000)
27-37 Swanley High street (meeting Point)	Capital Receipts & External funding	6,114,000	5,086,389	614,000	572,604	732,000	118,000	295,611	0	0	6,114,000	0
White Oak Residential	Capital Receipts	21,484,000	161,955	8,000,000	272,769	400,045	(7,599,955)	9,500,000	9,500,000	1,922,000	19,562,000	0
Affordable Housing	External Borrowing	16,050,000		1,500,000		0	(1,500,000)	1,500,000	1,500,000	13,050,000	0	0
Bevan Place	Mixed	27,306,000	1,109,809	14,022,000	2,540	2,540	(14,019,460)	10,229,000	510,000	15,454,651	27,306,000	0
Mill Pond	Mixed	60,000		60,000	61,750	61,750	1,750	0	0	(1,750)	61,750	1,750
Other Feasibility & Due Dilligence costs	Mixed	1,600,000		1,450,000	18,432	1,450,000	0	150,000	0	0	1,600,000	0
Bradbourne Lakes	Mixed	60,000		60,000	0	60,000	0	0	0	0	0	0
Farmstead Drive (Spitals Cross)	Mixed	10,351,405	915	2,500,000	202,891	2,500,000	0	2,000,000	409,000	5,441,490	10,351,405	0
Stangrove Estate	Mixed	4,313,000	130,282	1,948,000	1,123,041	2,500,000	552,000	56,000	0	1,626,718	4,313,000	0
Total for People & Places		110,382,360	28,303,834	30,460,000	2,582,945	8,035,254	(22,424,746)	23,892,566	11,919,000	37,493,109	91,613,513	(736,846)
Commercial vehicle replacements	Vehicle Renewal Res.	1,746,000	0	1,176,000	614,432	1,176,000	0	582,000	582,000	0	582,000	0
Disabled Facilities Grants (gross)	Better Care Fund	3,384,000	0	1,456,000	540,409	1,456,000	0	1,128,000	1,128,000	1,128,000	3,384,000	0
Total for Finance & Trading		5,130,000	0	2,632,000	1,154,841	2,632,000	0	1,710,000	1,710,000	1,128,000	3,966,000	0
Grand total		115,512,360	28,303,834	33,092,000	3,737,786	10,667,254	(22,424,746)	25,602,566	13,629,000	38,621,109	95,579,513	(736,846)

Memo											
Quercus Housing	£15m over 10 years	no profiling set	15,000,000								
Quercus 7	SDC Debt (60%) / Equity (40%)		9,691,146	0		0					9,691,146

Croft Road	536,444
Plot 2 Canterbury Business Park	2,292,120
10 -14 Gladedale House	1,232,600
Loampit Vale, Lewisham	1,829,982
3 - 4 Hilton Road, Ashford	3,800,000

Income Graphs Summary	Actuals YTD	Previous YTD	Budget YTD	Variance YTD - brackets show underachievement	Annual Budget	Forecast Variance - (brackets) show underachievement	Forecast Outturn	Prior year Outturn	Impact - High (>£50k)	Explanation of what income is.
External Communications	9,510	4,150	8,415		12,622	-		14,483		Advertising Sales
Register of Electors	3,233	71	-		-	-		3,892		Sale of registers
Support - General Admin (Print Shop)	86,378	42,807	124,684		187,026	(58,000)		122,079	H	Print fees and charges
	99,149	47,028	133,099	(33,949)	199,648	(58,000)	141,648	151,878		
Land Charges	74,250	58,289	113,310		169,965	(68,000)		112,767	H	Land Charges
Local Tax	190,770	201,391	327,305		490,957	12,092		278,598	H	Court Costs Recovered
Administrative Expenses - Human Resourc	432	1,103	2,611		3,916	-		1,590		CRB Checks
Street Naming	11,482	6,840	16,083		24,125	-		13,645		Street Naming Fees
Support - IT	-	-	-		29,134	-		34,202		
Support - Legal Function	3,600	9,112	1,667		2,500	-		14,089		S106 Legal Fees and other income
Support - Human Resources	922	4,950	627		941	-		7,696		Payroll Support contribution
	281,956	281,685	461,603	(179,647)	721,538	(55,908)	665,630	465,381		
Car Parks	2,056,867	1,139,520	1,923,575		2,803,521	256,605		2,827,522	H	Off Street Parking Income
CCTV	18,045	15,277	23,059		34,589	-		39,472		Recharge other authorities
Car Parking - On Street	700,950	363,267	647,773		971,659	179,000		966,923	H	On Street Parking Income
Refuse Collection	99,014	55,631	79,997		119,995	11,000		152,336	H	Bulky waste and other fee income
Trade Waste	352,445	213,240	492,685		739,027	(180,000)		529,887	H	Trade waste income
Green Waste	682,495	462,756	761,530		1,011,472	(70,000)		862,250	H	Garden waste subscriptions
Street Cleansing - Operational	39,792	16,495	73,855		120,743	(40,000)		64,902	H	Street cleaning charges
Transport Workshop	41,402	6,758	52,858		79,287	(15,000)		53,701	H	MOT and Taxi Tests
Cesspool Emptying	117,456	59,349	178,716		268,074	(90,000)		160,444	H	Cesspool charges
Pest Control	32,192	16,902	53,974		80,881	(48,000)		31,395		Pest control fee income
Fly Tipping	1,000	675	2,154		3,231	-		4,530		Fixed penalty notices
Depots	12,360	123	22,604		33,906	(21,509)		461		Rechargeable works
Markets	299,838	284,362	348,305		522,458	(78,000)		555,493	H	Rental income for market operation
Off-Street Enforcement	134,848	89,346	103,924		155,886	60,000		215,803	H	Car Park Penalty Charge Notices
Parks - Rural	4,273	13,619	2,241		3,361	6,230		23,396		Sale of Timber
Refuse Collection	200,483	64,976	186,167		341,321	8,732		339,827	H	Recycling Credits and Sack income
Street Cleansing	-	-	19,572		29,358	(29,358)		784		External income target
	4,868,578	2,887,191	4,975,700	(107,121)	7,338,830	(50,300)	7,288,530	7,123,500		
Gypsy Sites	10,964	7,810	2,242		3,363	-		17,962		Income from Traveller Site
Disabled Facilities Grant Administration	-	-	-		54,824	-		50,000	H	Admin grant funding from DFG
Leisure Contract	213,910	8,333	267,245		400,868	22,852		20,255		Leisure Provider Contract Income
Police & Crime Commissioners (PCCs)	16,740	18,000	-		-	-		1,260		PCC Funding Income
Private Sector Housing	14,635	12,803	7,601		9,094	-		26,588		Inspection and Licence income
	277,709	62,152	286,863	(9,154)	479,657	25,852	505,509	145,130		
Building Control Fee	349,739	235,144	355,664		533,496	(8,712)		539,894	H	Building control plan and inspection fees
Environmental Health Services	23,639	-	24,854		30,226	(4,626)		-		Income from Licensing Fees
Licensing Regime	75,397	84,459	74,827		130,065	(7,105)		116,037	H	SDC Licence Income
Planning Policy	120	-	3,333		5,000	(5,000)		40		
Planning - CIL Administration	48,836	-	55,000		110,000	(20,000)		89,397	H	CIL Administration Funding
Planning - Counter	550	-	-		6,000	(6,000)		-		
Planning - Development Management	791,669	473,375	685,177		1,027,766	70,625		1,210,246	H	Planning application fees

Taxis	97,829	72,639	111,124		166,686	(24,209)		135,041	H	Taxi licence fee income
	<u>1,906,677</u>	<u>1,207,587</u>	<u>1,309,975</u>	<u>596,701</u>	<u>2,009,239</u>	<u>(4,930)</u>	<u>2,004,309</u>	<u>2,830,696</u>		
Bus Station	5,032	3,100	6,433		11,200	-		6,200		Advertising Sales
Swanley Meeting Point	8,072	-	-		-	14,000		-		
Economic Development Property	20,264	5,095	29,945		47,504	-		27,827		Miscellaneous Income and recharges of time
Estates Management - Buildings	87,465	54,703	83,972		124,808	2,700		154,658	H	Rental income for miscellaneous properties
Housing Other Income	39,548	6,308	9,400		14,122	26,600		16,029		Rental income for housing premises
Housing Premises	18,217	20,440	-		-	18,217		20,440		Sewage Treatment Income
Property Investment Strategy	1,330,931	652,261	1,218,333		1,620,410	41,360		1,646,401	H	Rental Income from Investment Properties
Support - Central Offices	15,647	9,850	28,329		37,772	(15,000)		19,862		Argyle Road Rental Income and Electric Vehicle charging income
West Kent Partnership	23,000	20,000	31,862		59,398	-		20,000		West Kent Partner Contributions
	<u>1,548,176</u>	<u>826,811</u>	<u>1,408,274</u>	<u>139,902</u>	<u>1,915,214</u>	<u>87,877</u>	<u>2,003,091</u>	<u>1,943,356</u>		

Item 11 – Property Investment Strategy Update

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract was not available prior to the printing of these papers and will follow when available.

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PROPERTY INVESTMENT STRATEGY UPDATE

Cabinet – 18 January 2024

Report of: Deputy Chief Executive and Chief Officer – Finance and Trading

Status: For Decision

Also considered by:

- Finance & Investment Advisory Committee – 11 January 2024
- Council – 20 February 2024

Key Decision: No

Executive Summary:

This report provides an update on the progress of the Property Investment Strategy to date and looks at the future direction of the strategy.

The Property Investment Strategy was approved by Council on 22 July 2014 to support the aim of the council becoming more financially self-sufficient as Government Support continued to reduce.

The acquisitions to date have helped the council achieve this aim. This report provides an update on those acquisitions.

Due to Government changes in the way councils can access Public Works Loan Board (PWL) borrowing and the changes to CIPFA's Prudential Code, the Property Investment Strategy is no longer included in the capital programme therefore the Council cannot currently borrow to make any more property investments purely for yield.

In a changing property market and regardless of any limitations on financing, it remains important to review the criteria of the strategy on a regular basis.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Adrian Rowbotham, Ext. 7153

Alan Mitchell, Ext. 7483

Detlev Munster, Ext. 7099

Recommendation to Finance and Investment Advisory Committee:

- (a) That the report be noted.
- (b) Forward comments to Cabinet including any recommended changes to the Property Investment Strategy criteria.

Recommendation to Cabinet:

- (a) Cabinet considers any comments from Finance and Investment Advisory Committee and notes the report.
- (b) Any changes to the Property Investment Strategy criteria be recommended to Council.

Recommendation to Council:

Council agrees the Property Investment Strategy criteria recommended by Cabinet.

Introduction and Background

- 1 Sevenoaks District Council was facing ongoing reductions in Government support, culminating in it no longer receiving Revenue Support Grant from 2017/18. This led to a number of decisions that have been taken through the 10-year budget process to try and ensure that the council remains in a financially sustainable position.
- 2 On 7 November 2013, Cabinet approved the then Corporate Plan which set out key areas for the organisation, including the need to become financially self-sufficient. The agreed plan articulated an approach of investing in assets that would generate revenue income to allow less reliance on diminishing Government support. It went on to state that this could be done either through reviewing the use of reserves or through borrowing at low interest rates.
- 3 On 22 July 2014, Council agreed the Property Investment Strategy. The Strategy's criteria were last updated at Council on 21 February 2023 and the current criteria are included at **Appendix A**.

Funding Agreed to Date

- 4 A total of £50.3m of funding for the Property Investment Strategy (including the Sennocke Hotel) had been agreed as follows:
- a. £5m Council 22 July 2014
 - b. £3m Council 17 February 2015
 - c. £10m Council 21 July 2015
 - d. £7.3m (total spend) Sennocke (Premier Inn) Hotel, Council 3 November 2015
 - e. £25m Council 25 April 2017
- 5 £38.254m has been spent. However, as the Property Investment Strategy has now been removed from the Capital Programme, the Council is unable to make any further property investments purely for yield, therefore the unspent element of the £50.3m is no longer available for the Council to spend on the Property Investment Strategy.

Activity to Date

- 6 A summary of the income producing expenditure to date is included in the following table:

Date	Activity	Total Cost £000	2023/24 Income Yield %
Apr 2015	Suffolk House, Sevenoaks (including refurb.) (office)	5,077	9.4%
May 2015	Swanley Petrol Station and Supermarket	2,566	7.5%
Mar 2017	26-28 Pembroke Road, Sevenoaks (office)	4,673	1.6% Void period when transferring to new occupier. Expect 7% in 2024/25
Aug 2018	Premier Inn Hotel, Sevenoaks	7,332	6.4%
	Total	19,648	

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- 7 **Suffolk House, Sevenoaks (April 2015)** – This office building is in a town centre in which there are diminishing levels of office stock. It consists of a total of 16,699 sq. ft of office space over four floors with 84 parking spaces. It is managed by a property management company with costs recoverable under a service charge. All floors have been refurbished to a high standard and the rent per square foot is now significantly higher than when the building was purchased. All space is currently let. External repair and maintenance work, notably to the roof, brickwork and lead works, has been undertaken in accordance with the building's planned maintenance programme.
- 8 **Swanley Petrol Station and Supermarket (May 2015)** – The property comprises a 2,789 sq. ft convenience store building with 15 car parking spaces, 8 multi-fuel pump forecourt with jet wash and car wash on a 0.589 acre site. The property is let on a lease expiring in August 2030.
- 9 **26-28 Pembroke Road, Sevenoaks (March 2017)** – This is a modern freehold office investment in Sevenoaks town centre. The 11,117 sq. ft building over three floors has 56 car parking spaces and is currently partially let to Towergate Insurance, who previously occupied the whole building. A new tenant has now taken occupation of the building since June 2023 on a new 20 years FRI lease and is currently undertaking refurbishment work to the premises. The lease provides for 5 yearly rent reviews.
- 10 **Premier Inn Hotel, Sevenoaks (August 2018)** – The 83 bed Premier Inn was completed in July 2018 and opened for trading on 4 August 2018. The hotel scheme and the funding method were separately approved by Council, but it is recognised as a Property Investment Strategy asset with the income being included in the budgeted figures.
- 11 The following amounts within the strategy have funded Quercus 7 investments.

Date	Activity	Total Cost £000	2023/24 Income Yield %
2016/17	Quercus 7 set up costs	13	
2018/19 onwards	Quercus 7 investments (debt 60%)	5,987	4.5%
2018/19 onwards	Quercus 7 investments (equity 40%)	3,991	
	Total	9,991	

- 12 Quercus 7 was set up to enable the Council to invest in property on a commercial basis across a range of asset categories, ensuring a sustainable income for the Council. The company is able to invest in commercial properties outside of the district and hold residential property, which the Council is not allowed to do.
- 13 The Council, which is also the Shareholder of the Company, wishes Quercus 7 to prioritise return on investment, whilst also recognising that as a public body there are sometimes wider considerations and sensitivities that the Council must consider.
- 14 The investments adhere to the principles set out in the Property Investment Strategy.
- 15 The Council as a whole holds the shares in the Company and has delegated its responsibility for overseeing the trading activities of the Company to a Trading Board, and the Leader of the Council has been nominated as the shareholder representative.
- 16 The Quercus 7 Business Plan includes a £50,000 dividend payable to the Council annually from 2023/24 and it is expected to increase to £60,000 from 2024/25..
- 17 In addition, strategic expenditure has been undertaken to secure longer term returns. These items are listed in the table below:

Date	Activity	Total Cost £000
Feb 2015	Swanley Working Men's Club (including demolition)	1,393
Feb 2017	96 High Street, Sevenoaks (retail, office) and associated site	4,554
Jul 2022	Sackville House, Sevenoaks (office)	2,886
	Total	8,615

- 18 **Swanley Working Men's Club** (February 2015) – The premises were demolished in July 2016. In June 2022, The Council made a planning

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application for 93 apartments arranged over 4 to 6 storeys on this site, together with the adjacent car park and land owned by West Kent Housing Association. The planning application was refused permission and options for the site are being reviewed in light of the decision. Aside from planning, the recent increase in interest rates and higher build costs are making it difficult to bring forward development at the current time. Alternative use class arrangements are being considered.

- 19 **96 High Street, Sevenoaks (February 2017)** – This premises consists of ground floor retail space, 1st and 2nd floor office space. The land at the rear is next to a District Council car park which in turn is next to the bus station and therefore has the potential to support the Council's regeneration ambitions. Discussions have taken place and are ongoing with KCC to include land in their ownership to bring forward a larger scheme. Consultants have been appointed with a concept plan and feasibility study prepared to establish appropriate mix of uses, values and with a view to agreeing terms with a private sector development partner. The ground floor retail space is occupied by Hospice in the Weald on a short-term lease, subject to a developer's break clause on a rolling basis. The second floor is still in occupation by Second Floor Studios CIC and their lease is being made co-terminus with that on the ground floor.
- 20 **Sackville House, 55 Buckhurst Ave, Sevenoaks (July 2022)** – The delayed purchase of this office building completed last year. The office building was purchased to facilitate the Council's wider regeneration ambitions for land to the East of the High Street. There are currently three tenants within the building. Due to the Council's regeneration ambitions, the premises are let on discounted short-term tenancies.
- 21 **Croft Road, Westerham** – This land formally in the Council's ownership was sold to a developer to build 18 residential units which are being built in two phases. The Council took up an option to acquire two houses at a discount (based on an agreed price formula), one house in each phase. The option to acquire the house in the first phase was exercised on behalf of Quercus 7, and it has since been let on an Assured Shorthold Tenancy providing regular monthly income. The option to acquire the house in the second phase was exercised by the Council, and the house was sold on the open market for £640,000, realising a return on investment of around 7%.
- 22 All of the Council's acquisitions have been supported by a thorough business case and approved by the Improvement & Innovation Portfolio Holder in consultation with the Finance & Investment Portfolio Holder as required by Council.

Property Investment Strategy Income

- 23 The 10-year budget approved by Council in February 2023 included net Property Investment Strategy income of £1.618m from 2023/24, £1.715m from 2026/27 and £1.756m in 2029/30.

- 24 Net income of £1.605m is forecast in 2023/24 - £13,000 below the budget. This is due to a void period and associated business rates costs.
- 25 An annual dividend of £50,000 will be received from Quercus 7 from 2023/24 and it is expected to increase to £60,000 from 2024/25.
- 26 The Property Investment Strategy net income budgets included in the current 10-year budget (January 2024) are included in the table below:

Year	Net Income Budget
2024/25 - 2025/26	£1.724m
2026/27 - 2033/34	£1.749m

- 27 The budgets will continue to be reviewed.
- 28 All of the net income budgets proposed are after transferring £100,000 per annum into the Property Investment Strategy Maintenance Reserve.

Funding Sources

- 29 The £38.3m spent to date has been funded by:
- a. Property Reserve, Financial Plan Reserve and Capital Reserve £12.4m. Funds put aside for the Property Investment Strategy agreed as part of the annual budget setting process, including New Homes Bonus.
 - b. Capital receipts £11.6m. Proceeds from the sale of Council assets.
 - c. Internal borrowing £4.4m. From council balances. No interest is paid but Minimum Revenue Provision (MRP) is charged. MRP is 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. This is a requirement for any form of borrowing so that an amount is set aside to repay the loan. An MRP charge of £150,000 is forecast in 2024/25.
 - d. Internal borrowing £9.9m. From council balances for Quercus 7 investments.
 - e. External borrowing £nil. This funding method would incur interest and MRP costs each year.
- 30 Funding options are considered on a case-by-case basis and may be funded by reserves, capital receipts, internal borrowing or external borrowing, subject to the constraints referred to in the Executive Summary and below.
- 31 During 2019, at the request of Full Council, a Member Working Group investigated Income Strip Funding as an additional funding source and

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recommended that this should be considered for funding suitable future schemes.

- 32 Each scheme is assessed to consider whether it is preferable to proceed as the Council or via Quercus 7.

Public Works Loan Board (PWLB) – Access to Borrowing

- 33 In November 2020, HM Treasury published the document ‘Public Works Loan Board: Future Lending Terms’.

- 34 This document included changes to the PWLB lending terms designed to discourage councils from investing primarily for yield by restricting access to the PWLB. Under the new rules, councils are still free to borrow for service delivery, housing, regeneration, preventative action and delivery of government priorities.

- 35 The main points are:

- a. As a condition of accessing the PWLB, local authorities are now asked to submit a high-level description of their capital spending and financing plans for the following three years.
- b. Councils intending to invest for yield are not permitted to access the PWLB.
- c. When applying for a new loan, councils are required to confirm that the plans they have submitted remain current and reaffirm that they do not intend to buy investment assets primarily for yield.
- d. The decision over whether a project complies with the terms of the PWLB is for the section 151 officer or equivalent of the council (Chief Officer – Finance and Trading).

- 36 Some schemes within the agreed capital programme are funded by PWLB borrowing. This therefore means that the Council is currently unable to invest in property purely for yield such as through the Property Investment Strategy.

- 37 Officers will continue to liaise with the Government and other bodies to ensure that there is a clear understanding of options and implications available for future use of the Property Investment Strategy by both the Council and Quercus 7.

Future Opportunities

- 38 As mentioned above, the PWLB and Prudential Code changes will impact the opportunities to make further property investments within the strategy.

- 39 It is therefore recommended that the focus of officers time on the delivery of the Property Investment Strategy should be on development of the strategic

assets listed in paragraph 17, realising their revenue potential, whilst recognising that the higher cost of finance and build cost inflation together with a deteriorating market for residential sales (albeit demand for lettings has gone up and rents have increased) may result in a delay to the delivery of major development projects.

Risks

- 40 The risks of the Property Investment Strategy are included in **Appendix B**. The risks were first assessed by the Audit Committee on 9 September 2014 and have been reviewed each year.
- 41 In terms of short-term variations in capital value, property investment is inherently more risky than leaving reserves in the bank but this was taken into account when establishing the Property Investment Strategy and setting the investment criteria. Treasury investment returns have long been below inflation levels resulting in the gradual erosion of those funds. A separate report on the Treasury Management Strategy 2024/25 is also being presented at this meeting.
- 42 The risks of each potential investment are considered by carrying out due diligence, including the following:
 - a. Valuation.
 - b. Market conditions.
 - c. Covenant strength of tenants.
 - d. Terms of leases.
 - e. Structural surveys.
 - f. Funding options.
 - g. Future costs.
- 43 It should be recognised that there may be times when there are business reasons to dispose of assets held as part of the Property Investment Strategy and invest elsewhere instead.
- 44 The Scrutiny Committee set up a Property Investment Strategy Member Working Group at their meeting on 5 July 2016 and reported their findings on 30 March 2017.
- 45 The Member Working Group concluded that the benefits of the Property Investment Strategy do outweigh the risks, provided that the council remains alive to changes in the market and financial risks.

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- 46 Internal Audit completed an audit report on the Property Investment Strategy in 2020/21. The audit opinion given in the report was of reasonable assurance.
- 47 The audit report conclusion was: "Audit fieldwork confirmed effective governance and financial arrangements are in place for the delivery of the Property Investment Strategy. The attainment of set objectives is being achieved. Existing arrangements are fit for purpose for the delivery of the Strategy and comply with Council procedures."
- 48 The assurances required over the Property Investment Strategy are considered each year as part of the risk-based annual audit planning process.
- 49 The changes to the PWLB lending terms also produce additional risks that did not previously exist.

Property Investment Strategy Criteria

- 50 The annual update report gives Members the opportunity to review the Property Investment Strategy criteria previously agreed. The current criteria are included in **Appendix A**.
- 51 The Property Investment Strategy criteria also applies to Quercus 7.

Key Implications

Financial

As previously stated in this report, the Property Investment Strategy is a major contributor to the Council remaining financially self-sufficient.

All other financial information can be found in the report.

Legal Implications and Risk Assessment Statement.

Legal resources would be required to undertake legal pre-purchase due diligence for any future acquisitions. Likewise, with disposals. This would be undertaken either internally by the Council's Legal Team or externally and a decision would be made on a case-by-case basis.

Proceeding with further pure property investments would add additional risks in light of the changes made by Government and CIPFA.

A full risk analysis is included at **Appendix B** to this report.

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Value for Money and Asset Maintenance

Value for money derived from available finances when looked at in conjunction with the Treasury Management Strategy has the ability to be increased via the Property Investment Strategy.

Conclusions

The investments previously made through the Property Investment Strategy continue to provide a reliable revenue income stream, with the potential for income and capital growth, in the long term. This will assist the Council to remain financially self-sufficient.

The Council is not currently able to make further investments purely for yield, but the situation will continue to be monitored with the aim to make further investments via the Council or Quercus 7 in future.

Appendices

Appendix A – Property Investment Strategy

Appendix B – Property Investment Strategy – Risk Analysis

Background Papers

Report to Council 22 July 2014 – Investment Strategy

Report to Audit Committee 9 September 2014 – Investment Strategy Risk Register

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

Report to Council – 21 July 2015 – Property Investment Strategy

Report to Council - 25 April 2017 – Property Investment Strategy Update

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

Property Investment Strategy (agreed by Council 21/02/23)

1. The strategy will consist of a diversified and balanced portfolio of investment assets with regard to the following considerations.
2. As the portfolio has grown and property markets have changed, all asset categories are now included subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding.
3. When considering the tenure of an asset, freehold would be preferable to leasehold. Freehold provides for greater levels of security against a leasehold asset that would effectively decrease in value over time. However, assets on long leasehold basis may still be suitable for consideration.
4. Whilst properties let to only one tenant may offer an acceptable level of risk, multi-tenanted properties would be favourable as they offer the opportunity to minimise the impact of any one part of the asset being vacant due to tenant default or lease expiry. If assets are occupied by a single tenant, then detailed financial due diligence would be undertaken to ascertain their financial stability.
5. Investment opportunities are restricted to all of England, however recognising that this may need to be changed in future if legislation is amended.
6. Based on the above considerations and taking into account local market conditions, a lot size of between £1m and £10m has been set. This is to avoid the lower part of the local market where private high net worth individuals would be seeking to invest and also the high end, where Pension Funds and Life Assurance Funds tend to dominate.
7. Given the likely risk profile of an asset meeting the above considerations, the following has been set. The income yield be 3%+ above the Council's average treasury management return when not borrowing or internally borrowing, and 3%+ above the borrowing rate when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment).
8. A limited number of opportunities that include the potential for development should also be considered. This approach may have the potential to deliver an additional 20-30% return on investment.
9. Where sites that are already in the ownership of the Council could be redeveloped in partnership with neighbouring sites, added value can be derived from 'marriage' of the sites. Consideration should be given to Joint Venture (JV) projects that maximise value, with priority given to those which would result in the delivery of assets meeting the investment criteria.

10. It is expected that external specialist property investment advisors will be retained on each transaction, advising on suitability having undertaken detailed pre purchase due diligence, including valuation, risk analysis and lease / title reviews.
11. Taking all of the above considerations into account, the current criteria are:
 - i. Income yield of 3%+ above the Council's average treasury management return when not borrowing or internally borrowing, and 3%+ above the borrowing rate when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment
 - ii. Individual Properties or Portfolios
 - iii. Lot size of £1m - £10m subject to multiple tenants for lots over £5m
 - iv. Freehold / Long Leasehold
 - v. Single or Multi Tenanted
 - vi. Asset categories: all subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding.
 - vii. Investment opportunities be restricted to all of England.
 - viii. Potential to increase rental income, through pro-active Asset Management
12. The Strategic Asset Management and Operational Property Management of the portfolio be delivered from existing resource within the Council's Economic Development and Property Team. There will however be times when specialist external advice is needed and this work will be commissioned on an 'as required' basis, funded from the income from the assets. This approach is to be reviewed regularly, including ongoing resource requirements, as the portfolio grows.
13. Funding for the acquisition of assets should be reviewed on a case by case basis but could be derived from a number of sources:
 - Receipts from previous property disposals.
 - Receipts from proposed land / property disposals in future years.
 - Internal borrowing.
 - Borrowing from the Public Works Loan Board.
 - Borrowing from the Municipal Bonds Agency.

- Income strip funding.
14. Each scheme will also be analysed to decide whether it is preferable to proceed as the council or via Quercus 7.

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Property Investment Strategy – Risk Analysis

The Property Investment Strategy risks are detailed below. Each risk is first assessed **gross** (without existing controls in place) and then re-assessed following the identification of key controls to give the **net** score. Each risk is also given a **target** score, which is the desired rating for the risk. The overall **rating (R)** is derived by multiplying the **likelihood (L)** and the **impact (I)**.

		Net Risk Ratings				
Likelihood	Very Likely (5)					
	Likely (4)					
	Possible (3)		9b	12		
	Unlikely (2)		9d	4,9a,9c,9e	1	
	Very Unlikely (1)		3	7	2a	2b,5,6,8,10,11
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
		Impact				

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
Property Investment Strategy Lead Officers: Adrian Rowbotham & Detlev Munster											
1) Downturn in property market	<ul style="list-style-type: none"> Poor Return on Investment (ROI) on selling/rental 	3	5	15	<ul style="list-style-type: none"> Contracts to have rent review, break clauses etc. Investments are credit secure and can be retained through any market downturn. No requirement by SDC to liquidate investments in medium term. No requirement from SDC to minimise or contain reported mark to market variability. 	2	4	8	2	4	8

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
2) a. Poor quality construction/management	<ul style="list-style-type: none"> • Repairs • Defects • remedial work • customer dissatisfaction • loss of reputation • legal action • additional costs not built into financial plan 	1	5	5	<ul style="list-style-type: none"> • Robust contracting process. • Pre-purchase surveys. • High quality spec. • Quality assurance clauses. • Warranties. • Procurement processes. • Clauses for liquidated damages. • Build relationships with contractors - understand their quality ethos. • Do not work with contractors who have a record issue or no track record. 	1	4	4	1	4	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Ensure contractor has sufficient covenant to stand behind their commitments. Property Investment Strategy Maintenance Reserve. 						
b. Poor quality construction/management	<ul style="list-style-type: none"> Risks to personal health and safety - defects, gas, electricity, legionella, etc. 	2	5	10	<ul style="list-style-type: none"> Surveys; risk assessment techniques; CDM (Construction, Design & Mgt Regs); using registered suppliers and installers. 	1	5	5	1	5	5
3) Possibility of challenge re: unlawful subsidy	<ul style="list-style-type: none"> Legal challenge to Quercus 7. 	2	2	4	<ul style="list-style-type: none"> Full cost recovery. 	1	2	2	1	2	2

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Loans obtained at commercial lending rates. Charging Directors and others' time to the Company. Legal due diligence pre contractual commitment. 						
(Page 153) Inability to attract and retain suitable purchasers/tenants.	<ul style="list-style-type: none"> Poor ROI void periods loss of rental income 	3	4	12	<ul style="list-style-type: none"> Demand for residential property remains high. Taking up references. Early engagement with potential buyers/tenants. Quality product to attract purchasers/tenants. Property Investment Strategy 	2	3	6	2	3	6

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					Maintenance Reserve to support downturn in market for tenants i.e. finance voids or rent shortfalls.						
5) Failure to fully assess sites and conditions	<ul style="list-style-type: none"> Defects remedial action costs failure to attract purchasers/tenants. void periods poor ROI 	2	5	10	<ul style="list-style-type: none"> Robust appraisals and surveys to be undertaken before progressing. Pre-application planning advice. Knowledge of location/market. Extensive due diligence process. 	1	5	5	1	5	5
6) Insufficient resources, capacity, skills to plan and manage projects.	<ul style="list-style-type: none"> Inability to close deals as insufficient due diligence Loss of reputation 	3	5	15	<ul style="list-style-type: none"> Procurement of specialist resources not available in-house. Appointment of staff with 	1	5	5	1	5	5

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					adequate skills for purpose.						
7) Increase in voids/and void turn-around time/re-let times	<ul style="list-style-type: none"> Income from rent is reduced and cash flow compromised 	3	3	9	<ul style="list-style-type: none"> Employment of experienced agents to manage lettings. Sale of property an option. Reconsideration of operating model. Property Investment Strategy Maintenance Reserve to support downturn in market for tenants i.e. finance voids or rent shortfalls. 	1	3	3	1	3	3

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
8) Purchase not supported by red book valuation	<ul style="list-style-type: none"> Unable to secure purchase 	4	5	20	<ul style="list-style-type: none"> Red book valuation obtained prior to offer. 	1	5	5	1	5	5
9) a. Financial risk: properties not re-let	<ul style="list-style-type: none"> Rents not achieved. Reduced income - 	3	4	12	<ul style="list-style-type: none"> Invest in areas with high demand. 	2	3	6	2	3	6
b. Financial risk: tenant default on rents	<ul style="list-style-type: none"> Rents not achieved. Reduced income 	3	4	12	<ul style="list-style-type: none"> Careful vetting of tenants pre-contract. Limit exposure to an individual tenant. Tight T&Cs in lease agreements. Prompt chasing of rent arrears. 	3	2	6	3	2	6
c. Financial risk: property market falls	<ul style="list-style-type: none"> Values reduce. Reduced income 	2	3	6	<ul style="list-style-type: none"> Diversified portfolio. 	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Actively assess market value. Preparedness to sell if exposures are increasing. 						
d. Financial risk: higher operational costs	<ul style="list-style-type: none"> Reduced net income 	2	2	4	<ul style="list-style-type: none"> Tight budget and cost control. Adopt corresponding terms in lease and agency agreements. 	2	2	4	2	2	4
e. Financial risk: defects	<ul style="list-style-type: none"> Reduced let ability. Reduced income 	2	4	8	<ul style="list-style-type: none"> Conduct regular planned maintenance work and periodic inspections. 	2	3	6	2	3	6
10) Failure to comply with taxation issues, Corporation tax and VAT.	<ul style="list-style-type: none"> Legal challenges 	2	5	10	<ul style="list-style-type: none"> Internal and/or external advice sought in relation 	1	5	5	1	5	5

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					to taxation to ensure compliance.						
11) Poor management of property	<ul style="list-style-type: none"> • Risk to tenants • Health and Safety • Defects, gas, electricity etc. 	2	5	10	<ul style="list-style-type: none"> • Engage experienced and qualified management agents. • Staff to keep abreast of statutory requirements. • Appropriate DMS and compliance regimes in place. 	1	5	5	1	5	5
12) Political change – local or national	<ul style="list-style-type: none"> • Changes in policy and/or legislation affecting business model. • Increased financial burden placed which cannot be recouped from service charges. 	3	5	15	<ul style="list-style-type: none"> • Maintenance provisions are held. • Where possible, tenants required to ensure upkeep and compliance. 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
	<ul style="list-style-type: none"> Changes to building standards resulting in uncosted refurbishments. Reputational damage. 				<ul style="list-style-type: none"> Lease agreements are carefully structured. Maintain overwatch of political/policy changes as a result of local or national political change. 						

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