

CABINET
06 February 2014 at 7.00 pm

Further to the recent despatch of agenda and papers for the above meeting, please find the following item(s) which were marked as 'to follow':

6. **Recommendations from the Cabinet Advisory Committees:** (Pages 1 - 2)
- c) Local Government Association (LGA) Peer Challenge Letter (*Strategy & Performance Advisory Committee 28 January 2014*)
13. **(Budget Setting) Revenue Budget and Council Tax** (Pages 3 - 58)

Reason for urgency:

The Chairman has agreed to accept the report papers as an urgent item as it was not possible to despatch the report by the statutory deadline due to the late receipt of Government grant details and the continued delay in announcing the referendum limit for Council Tax. The report needs to be considered by Cabinet prior to Council on 18 February 2014.

To assist in the speedy and efficient despatch of business, Members wishing to obtain factual information on items included on the Agenda are asked to enquire of the appropriate Director or Contact Officer named on a report prior to the day of the meeting.

Should you require a copy of this agenda or any of the reports listed on it in another format please do not hesitate to contact the Democratic Services Team as set out below.

For any other queries concerning this agenda or the meeting please contact:

The Democratic Services Team (01732 227241)

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RECOMMENDATIONS FROM CABINET ADVISORY COMMITTEES

- c) LGA Peer Challenge - Feedback letter (Minute 33, Strategy & Performance Advisory Committee – 28 January 2014)

In accordance with Section 100B (4) of the Local Government Act 1972, the Chairman had agreed to accept the papers for this item as an urgent matter. The papers had not been available five clear working days before the meeting for the following reason:

The letter summarising feedback from the LGA Corporate Peer Challenge was only received on Friday 24 January. The findings of the Peer Challenge needed to be reported to the Committee and the next meeting was not until 11 March 2014 yet it needed to be considered by Cabinet at its meeting 6 February 2014 as much of the content of the feedback related to the strategic direction of the Council, including elements of the already adopted Corporate Plan.

The Chief Officer Corporate Support presented the report which summarised the feedback and suggestions of the Corporate Peer Challenge carried out in December 2013.

The Chairman commented that it had felt like an inspection and had been highly challenging. The Council had been fortunate in the high calibre of reviewer such as Simon Ridley, Director of Local Government Finance, DCLG.

A Member queried, when there was a stress on community involvement, why Parish and Town Councils had not been involved and in reality not many Councillors. The Chairman responded that the peer team had attended two council meetings, interviewed all party leaders and the Chairman of Scrutiny and Governance Committees. The Chief Executive further advised that a selection of officers had been interviewed.

In response to a question as to whether the peer group were suggesting releasing greenbelt, the Chairman explained that Harry Platt, Associate Growth Advisor, had visited sites with the Property and Facilities Services Manager. There were some areas on the greenbelt boundary that could possibly be looked at.

A Member queried, whilst appreciating the value, the officer time involved and cost, and whether the suggestions given were any different to those already in mind. The Chairman responded that it was a free national programme in its third year and offered to all councils. With regards to officer time it was not like an old Comprehensive Performance Assessment (CPA) inspection which required a lot of paperwork. Documentation forwarded was all information already publicly available or website links. It was hard to quantify the added value, but what other opportunity would the council get to have input from experts such as Harry Platt and Simon Ridley. Overall it had taken place over a period of four days. It was invaluable to have such collective expertise as a critical friend, and the validation of being on the right path.

Resolved: That

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- a) the findings of the Corporate Peer Challenge be noted and recommended to Cabinet for consideration; and
- b) the Corporate Peer Challenge Team be thanked for the time taken in completing the review and providing their feedback.

REVENUE BUDGET AND COUNCIL TAX

Cabinet – 6 February 2014

Report of Chief Finance Officer

Status: For Decision

Also considered by: Council - 18 February 2014

Key Decision: No

Executive Summary: This report sets out the proposed budget and updates Members on the information received to date regarding the setting of Council Tax levels for 2014/15. The report details changes to the draft budget since the Cabinet meeting on 5 December.

The report proposes a net expenditure budget of £14.106m in 2014/15 (£13.800m in 2013/14).

This report supports the Key Aim of providing value for money.

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153
Helen Martin Ext. 7483
Lee Banks Ext. 7161

Recommendation to Cabinet:

- (a) That Cabinet hold an extraordinary meeting on 13 February 2014 at 1.30pm to recommend the Council Tax level for 2014/15.
 - (b) That the recommendations set out below be recommended to Council.
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Recommendation to Council:

- (a) The Summary of Council Expenditure and Council Tax set out in Appendix E be approved.
- (b) Approve the 10-year budget 2013/14 to 2023/24 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix A to the report, including the growth and savings proposals set out in Appendix B-D to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve: and

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- (c) The changes to reserves set out in Appendix H be approved.
- (d) Members' views are sought on the issue of Council Tax Support funding for Town and Parish Councils in light of comments contained within this report, and agree the approach to be adopted by this Council.
- (e) Approve any change to the council tax charge for 2014/15, taking in to account the recommendation of Cabinet, once in full receipt of guidance from Government.
- (f) Approve that if the increase in council tax for 2014/15 is less than the budget assumption of 2% the additional revenue to deliver a balanced budget is funded from the additional contribution currently intended to be made to the Financial Plan Reserve and supplemented from the New Homes Bonus Reserve.
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Introduction and Background

- 1 The Council's financial strategy over the past nine years has worked towards increasing financial sustainability and it has been successful through the use of a number of policy decisions including:
 - implementing efficiency initiatives;
 - significantly reducing the back office function;
 - improving value for money;
 - maximising external income;
 - moving resources away from low priority services; and
 - an emphasis on statutory rather than non-statutory services.
- 2 Over this period the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders through the Community Plan. In financial terms, the adoption of this strategy has to date allowed the Council to move away from its reliance on general fund reserves which has ensured that the general fund reserves have remained largely unchanged.
- 3 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the short-term reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 4 Local Government generally appears to be feeling the impacts of the Government funding reductions and the impact of a slower than anticipated economic recovery. However, productivity and morale within this Council remain high which has a positive impact on the financial bottom line.
- 5 At the Cabinet meeting on 12 September 2013, Members considered a report setting out the Council's financial prospects for 2014/15 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 2014/15 and beyond.

- 6 As part of the budget process officers put forward their Service Plan Summaries to the Advisory Committees in October and November, which set out their objectives for the coming year. The Advisory Committees recommended new growth and savings items which were considered by Cabinet on 5 December.
- 7 Cabinet received a verbal update on 9 January which contained details of the Government's provisional settlement figures for 2014/15 and 2015/16 together with other information that had become available since the previous meeting.
- 8 The adoption of the 10-year budget over the last three years has resulted in a much more stable budget position than had previously been achieved.
- 9 This report includes a number of attachments:
 - Appendix A – 10-year budget;
 - Appendix B – Summary of the Council's previously agreed 4 year savings plan and growth items;
 - Appendix C – New growth and savings items proposed during the current budget process;
 - Appendix D – Service Change Impact Assessment forms (SCIAs);
 - Appendix E – Summary of Council Expenditure and Council Tax;
 - Appendix F – Summary Service Analysis in budget book format;
 - Appendix G – Analysis of pay costs;
 - Appendix H - Reserves
 - Appendix I – Risk analysis;

Changes explained to Cabinet on 9 January 2014

- 10 Cabinet received the last budget report on 5 December 2013 which contained a balanced budget at that point in time. It was stated that there remained uncertainty and a further report would be presented subject to settlement figures being received in time.

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- 11 Table 1 lists the changes between the December report and 9 January. This shows a deficit over 10 years of £3.04m (or £304,000 per annum).

| Table 1 | 10-year Budget |
|--|-----------------------|
| | £000 |
| Cabinet 05/12/13: (surplus)/deficit | (34) |
| Changes: | |
| Government Support (Source: Settlement) | 5,501 |
| Government Support: revised assumptions from 16/17 | 847 |
| New Homes Bonus: remove 40% top slice for 15/16 and 16/17 (Autumn Statement) | (1,380) |
| New Homes Bonus: update with final figures (Govt) | (2,102) |
| Benefit Admin Grant: reduction in 14/15 (Govt) (SCIA19) | 460 |
| Budget Stabilisation Reserve: balance updated | (400) |
| Interest Receipts: updated for latest projections | 148 |
| Updated position: (surplus)/deficit | 3,040 |

- 12 The level of Government Support included in the settlement was significantly worse than we had previously assumed. The Revenue Support Grant element has reduced by £710,000 (24%) in 2014/15 and £722,000 (31%) in 2015/16 giving a cumulative reduction of £1.432m (47%).
- 13 The assumption to budget for Business Rates Retention at the 'Safety Net Level' remains as the uncertainty of the impact of the large number of outstanding appeals continues to be a risk.
- 14 The Government has once again offered a Council Tax Freeze Grant in the Settlement. If Council Tax is frozen in 2014/15 a 1% grant would be awarded and if Council Tax is frozen in 2015/16 a further 1% grant would be awarded. The Minister has stated that this grant will be included in each council's base indefinitely. However, a recent letter only provides certainty to 2015/16 being the grant settlement period being announced but based on the Minister's comments it would be hoped that it would be built into the base past 2015/16. Previously these grants have been given for a short period and then the grant has reduced resulting in a cliff edge effect.
- 15 The proposed budget currently assumes a Council Tax increase of 2% in both 2014/15 and 2015/16 with increases of 3% in later years.
- 16 The report to Cabinet on 5 December mentioned that the growth and savings ideas proposed by the Advisory Committees resulted in a surplus over the 10-year budget period. Therefore, it was proposed to put the remaining balance of £70,000 per annum into the Financial Plan Reserve which would be able to fund

year 11 (2024/25) of the budget. It will also provide further flexibility with the 10-year budget should it be needed before the budget is approved in February.

- 17 At the 9 January meeting Cabinet Members agreed the proposed changes in Table 2 below, which have the effect of returning the budget to a balanced position, to be put forward for consideration in the budget.

| Table 2 | 10-year Budget |
|--|-----------------------|
| | £000 |
| Table 1: (surplus)/deficit | 3,040 |
| Changes: | |
| Growth (SCIA18) | 120 |
| Savings (SCIA19-25) | (1,611) |
| Disabled Facilities Grant | (1,000) |
| Financial Plan Reserve contribution | (549) |
| Updated position: (surplus)/deficit | 0 |

Updates since 9 January 2014

- 18 A report on the Council Tax base for 2014/15 was reported to Cabinet on 9 January 2014 which showed an increase from 47,053 to 47,629. This is a larger increase than previously assumed due to the number of new properties, change in the Council Tax Support Scheme and the changes to several Council Tax discounts.
- 19 The Government has not yet provided the Council with all relevant information to allow a proposal for the level of council tax for 2014/15 to be put forward. Members are advised that significant costs could be incurred if a council tax level is set beyond Government advice. Members may wish to delay making a firm recommendation until further information is known.
- 20 The current budget assumption is for a 2% rise in council tax. As set out at paragraph 14 of this report a Council Tax Freeze Grant of 1% has been set out in this year's Finance Settlement. Accepting the freeze grant would have an adverse impact of £1m on the 10-year budget.
- 21 It would be possible to return to a balanced budget position if a council tax rise of less than 2% is considered by using the additional contribution currently intended to be made to the Financial Plan Reserve and also by using the New Homes Bonus Reserve which was set up during the early years of New Homes Bonus.
- 22 The late announcement of referendum limits may impact on the date that the Council Tax can be set by Full Council as the other major preceptors are required to have agreed their Council Tax before this Council can approve the combined Council Tax.

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- 23 It is assumed that no funding will be passed on to Town and Parish Councils for Council Tax Support in line with the message that has been given for the last year. Unlike 2013/14, there is no separate amount in the settlement that is ring-fenced for this purpose. Officers have kept Town and Parish Councils updated on this position during the year following the advice given last year that it was unlikely that this funding stream would continue and it would therefore be wise to plan to address this change which many have done.
- 24 A triennial valuation of the Superannuation Fund has recently been completed by Barnett Waddingham, the funds actuary. The minimum annual contribution to fund the deficit remains similar to that recommended in the previous valuation. A £520,000 increase from 2014/15 was included in the previous 10-year budget, this has now been revised to 2017/18 and a further increase in 2020/21 which results in the same overall impact on the 10-year budget. Further work will be carried out in the next year to look at the long term requirement taking into account the reducing workforce and the changing economic situation.
- 25 The level of funding for asset maintenance may need to be increased during the year in recognition of the fact that additional asset maintenance may be required in relation to the Council's property portfolio including leisure centres. Should this be the case, any increase would be funded from the Asset Maintenance Reserve.
- 26 The Treasury Management Strategy 2014-15 is included as a separate report to this meeting but Members should note that alternative ways of increasing revenue are being investigated. Appendix H includes a recommendation to put £200,000 in to a Corporate Project Support Reserve to fund investigations into a number of possible options including property investments.
- 27 As in previous years the changes explained in this report result in a small surplus over the 10-year budget period. Assuming the current surplus is not required to fund a reduction in council tax income it is proposed to follow the decisions made in previous years and put the remaining balance of £79,000 per annum into the Financial Plan Reserve which would be able to contribute to year 11 (2024/25) of the budget.
- 28 A summary of these changes is shown in Table 3 below:

| Table 3 | 10-year Budget |
|--|-----------------------|
| | £000 |
| Table 2: (surplus)/deficit | 0 |
| Changes: | |
| Council Tax base increase | (628) |
| Financial Plan Reserve contribution | 628 |
| Updated position: (surplus)/deficit | 0 |

- 29 Separate reports on this Agenda set out the Asset Maintenance and Capital Programme Budget proposals, and Treasury Management Strategy. The attached

revenue budgets take into account the recommendations and revenue implications set out in those reports.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

The budget risk analysis is attached at Appendix I to this report. The Finance and Resources Advisory Committee reviewed these risks as part of the budget process at its meeting on 21 January 2014.

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

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

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

Equality Impacts

| Consideration of impacts under the Public Sector Equality Duty: | | |
|---|--------|---|
| Question | Answer | Explanation / Evidence |
| a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community? | Yes | Individual equalities assessments have been completed for all of the Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent. |
| b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity? | No | |
| c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above? | | |

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Community Impact and Outcomes

A balanced budget that includes the assessment and management of risk provides the Council with the financial stability required to plan and deliver its services to the community.

Conclusions

The budget process has once again been a major financial challenge for a Council that already provides value for money services to a high standard. Members will be aware that the Council continues to face financial pressure from the reductions in Government funding.

The future financial prospects for the public sector are increasingly difficult. However, this budget will ensure the Council is in a financially sustainable position.

Appendices

Appendix A – 10-year budget

Appendix B – Summary of the Council's previously agreed 4 year savings plan and growth items

Appendix C – Summary of new growth and savings items proposed during the current budget process

Appendix D – Service Change Impact Assessment forms (SCIAs)

Appendix E – Summary of Council Expenditure and Council Tax

Appendix F – Summary Service Analysis in budget book format

Appendix G – Analysis of pay costs

Appendix H – Reserves

Appendix I – Risk Analysis

Background Papers:

[Minutes of Cabinet 9 January 2014 – Draft Budget 2014/15 – Verbal Update](#)

[Report to Cabinet 5 December 2013 – Draft Budget 2014/15](#)

[Report to Strategy and Performance Advisory Committee 8 October 2013, Housing and Community Safety Advisory Committee 15 October 2013, Economic and Community Development Advisory Committee 24 October 2013, Finance and Resources Advisory Committee 12 November 2013, Local Planning and Environment Advisory Committee 19 November 2013 – 2014/15 Budget and Review of](#)

[Service Plans](#)

[Report to Cabinet 12 September 2013 – Financial
Prospects and Budget Strategy 2014/15 and Beyond](#)

[Sevenoaks District Council Financial Strategy](#)

**Adrian Rowbotham
Chief Finance Officer**

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Ten Year Budget - Revenue

| | Budget 2013/14 | Plan 2014/15 | Plan 2015/16 | Plan 2016/17 | Plan 2017/18 | Plan 2018/19 | Plan 2019/20 | Plan 2020/21 | Plan 2021/22 | Plan 2022/23 | Plan 2023/24 |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Expenditure | | | | | | | | | | | |
| Net Service Expenditure c/f | 13,443 | 13,800 | 14,106 | 14,485 | 14,767 | 15,682 | 16,010 | 16,400 | 17,226 | 17,639 | 18,053 |
| Inflation | 621 | 488 | 533 | 555 | 558 | 629 | 626 | 623 | 413 | 414 | 416 |
| Superannuation Fund deficit: actuarial increase | 0 | 0 | 0 | 0 | 520 | 0 | 0 | 390 | 0 | 0 | 0 |
| Net savings (approved in previous years) | (264) | (99) | (117) | (143) | (162) | (301) | (186) | (187) | 0 | 0 | 0 |
| New growth | 0 | 297 | 0 | (60) | 0 | 0 | (50) | 0 | 0 | 0 | 0 |
| New savings | 0 | (380) | (37) | (70) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Service Expenditure b/f | 13,800 | 14,106 | 14,485 | 14,767 | 15,682 | 16,010 | 16,400 | 17,226 | 17,639 | 18,053 | 18,469 |
| Financing Sources | | | | | | | | | | | |
| Government Support | | | | | | | | | | | |
| : Revenue Support Grant | (1,926) | | | | | | | | | | |
| : Revenue Support Grant (incl CTS) | | (2,225) | (1,503) | (1,344) | (1,201) | (1,072) | (956) | (851) | (757) | (672) | (596) |
| : Retained Business Rates | (1,862) | (1,898) | (1,951) | (1,990) | (2,030) | (2,071) | (2,112) | (2,154) | (2,197) | (2,241) | (2,286) |
| : Council Tax Support (CTS) | (734) | | | | | | | | | | |
| : to be passed on to Ts & Ps | (274) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : passed on to Ts & Ps | 274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Homes Bonus | (976) | (1,389) | (1,802) | (2,215) | (1,329) | (1,329) | (1,329) | (1,329) | (1,329) | (1,329) | (1,329) |
| Council Tax | (8,728) | (9,010) | (9,244) | (9,577) | (9,921) | (10,277) | (10,646) | (11,028) | (11,423) | (11,831) | (12,254) |
| Interest Receipts | (229) | (244) | (242) | (340) | (395) | (369) | (340) | (311) | (281) | (253) | (239) |
| Contributions to/(from) Reserves | (8) | (192) | (183) | (183) | (303) | (303) | (303) | (303) | (303) | (129) | (129) |
| Total Financing | (14,463) | (14,959) | (14,925) | (15,649) | (15,179) | (15,421) | (15,686) | (15,976) | (16,290) | (16,455) | (16,833) |
| Budget Gap (surplus)/deficit | (663) | (853) | (441) | (883) | 503 | 589 | 714 | 1,250 | 1,349 | 1,598 | 1,636 |
| Contribution to/(from) Stabilisation Reserve | 663 | 853 | 441 | 883 | (503) | (589) | (714) | (1,250) | (1,349) | (1,598) | (1,636) |
| Unfunded Budget Gap (surplus)/deficit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Remaining balance / (shortfall) in Budget Stabilisation reserve: 0

| Assumptions | |
|--------------------------|---|
| Revenue Support Grant: | -23% in 14/15, -31% in 15/16, -10% later years |
| Retained Business Rates: | 2% all years |
| Council Tax: | 1.99% in 14/15 - 15/16, 3% later years |
| Interest Receipts: | 0.8% in 14/15 - 15/16, 1.1% in 16/17, 1.3% later years (based on Capita Asset Services Bank Rate forecast + 0.3%) |
| Pay award: | 1% in 14/15 - 15/16, 1.5% in 16/17 - 17/18, 2% later years |
| Other costs: | 3% in 14/15, 2.25% later years |
| Income: | 3.5% in all years |

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Summary of the Council's Previously Agreed 4-year Savings Plan and Growth Items

Appendix B

| SCIA | | Description | 2011/12 £000 | 2012/13 £000 | 2013/14 £000 | 2014/15 £000 | Total £000 |
|---------|-------|--|-----------------|-----------------|-----------------|-----------------|----------------|
| Year | No. | | | | | | |
| | | Savings already included | (2,984) | (841) | (314) | | (4,139) |
| | | Growth already included | 371 | 45 | 50 | | 466 |
| | | Economic and Community Development | | | | | |
| 2010/11 | 24 | STAG agreement expiry | | | | (75) | (75) |
| | | Finance and Resources | | | | | |
| 2011/12 | 49 | Information Systems and IT Support - review staffing resources | | | | (60) | (60) |
| 2011/12 | 62,63 | Staff terms and conditions - savings reprofiled as agreed by Council 18/10/11. Greater savings made in later years. | | | | 35 | 35 |
| | | Housing and Community Safety | | | | | |
| 2013/14 | 9 | Environmental Health partnership - further savings | | | | (30) | (30) |
| | | Local Planning and Environment | | | | | |
| 2011/12 | 28 | Asset Maintenance (reduction for 3 years) - Playground equipment/CCTV equipment/depot/car parks (reversing short-term saving made in 11/12) | | | | 31 | 31 |
| | | Total Savings | (2,984) | (841) | (314) | (99) | (4,238) |
| | | Total Growth | 371 | 45 | 50 | 0 | 466 |
| | | Net Savings | (2,613) | (796) | (264) | (99) | (3,772) |

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New Growth and Savings items proposed during the current budget process

Appendix C

| Growth | | | | | | | | 10-year budget impact |
|---|-----|--|---------|-----------------|-----------------|-----------------|--|-----------------------------|
| SCIA Year | No. | Description | Ongoing | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | | £000 |
| Economic and Community Development | | | | | | | | |
| 2014/15 | 1 | Admin. costs for external funding - e.g. Leader & Business Support | yes | 10 | | | | 100 |
| 2014/15 | 2 | Broadband / Economic Development Reserve | 5 years | 50 | | | | 250 |
| 2014/15 | 3 | Swanley market - reduced income | yes | 62 | | | | 620 |
| Finance and Resources | | | | | | | | |
| 2014/15 | 4 | Treasury Management: increased cost of debit and credit cards | yes | 11 | | | | 110 |
| 2014/15 | 5 | Finance: improve financial resilience | yes | 28 | | | | 280 |
| 2014/15 | 18 | Corporate Projects | 2 years | 60 | | (60) | | 120 |
| Housing and Community Safety | | | | | | | | |
| 2014/15 | 19 | Benefit Admin Grant: reduced grant from Government | yes | 46 | | | | 460 |
| Local Planning and Environment | | | | | | | | |
| 2014/15 | 6 | Loss of glass recycling at Sainsbury's | yes | 30 | | | | 300 |
| Total | | | | 297 | 0 | (60) | | 2,240 |

| Savings | | | | | | | | 10-year budget impact |
|---|-----|--|---------|-----------------|-----------------|-----------------|--|-----------------------------|
| SCIA Year | No. | Description | Ongoing | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | | £000 |
| Economic and Community Development | | | | | | | | |
| 2014/15 | 7 | Communities & Business: Efficiency review | yes | (10) | | | | (100) |
| 2014/15 | 8 | Civil Enforcement: Delete Officer post | yes | (27) | | | | (270) |
| 2014/15 | 20 | Building Control: Shared working with TMBC | yes | (41) | (9) | | | (491) |
| 2014/15 | 22 | Communities & Business: Reduction in contribution to KCC for West Kent Partnership | yes | (6) | | | | (60) |
| Finance and Resources | | | | | | | | |
| 2014/15 | 9 | Corporate Support: External print income increase | yes | (10) | | | | (100) |
| 2014/15 | 10 | Corporate Support: Efficiency review | yes | (20) | | | | (200) |
| 2014/15 | 11 | Finance: 66 London Road rent and rates | yes | (76) | | | | (760) |
| 2014/15 | 12 | Finance: Efficiency review | yes | (40) | | | | (400) |
| 2014/15 | 21 | Customer Services: Channel shift programme | yes | | | (20) | | (160) |
| Housing and Community Safety | | | | | | | | |
| 2014/15 | 13 | Housing: Efficiency review - Housing Initiatives | part | (15) | 7 | | | (87) |
| 2014/15 | 14 | Licensing: Efficiency review | yes | (10) | | | | (100) |
| 2014/15 | 19 | Benefit Admin Grant reduction: fund from Housing Benefit Subsidy Reserve | yes | (46) | | | | (460) |
| 2014/15 | 23 | Housing: Bed and breakfast | yes | (10) | | | | (100) |
| 2014/15 | 24 | Housing: Cost of housing surveys | yes | (12) | | | | (120) |
| Local Planning and Environment | | | | | | | | |
| 2014/15 | 15 | Planning: Use CIL funds for monitoring | yes | | | (50) | | (400) |
| 2014/15 | 16 | Planning: Efficiency review | yes | | (35) | | | (315) |
| 2014/15 | 17 | Planning: Income increase | yes | (35) | | | | (350) |
| 2014/15 | 25 | Planning: Efficiencies following recent vacancies | yes | (22) | | | | (220) |
| Total | | | | (380) | (37) | (70) | | (4,693) |

Service Change Impact Assessment forms (SCIAs) for items 1 - 17 were included in the report to Cabinet on 5
SCIAs for items 18 - 25 can be found in Appendix D.

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SCIA 18 (14/15)

| | | | |
|----------------------|--------------------|----------------------|-------------------|
| Service Area: | Corporate Projects | Service: | Corporate Support |
| Activity | Corporate Projects | No. of Staff: | n/a |

| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
|---|---------------|---------------|---------------|---------------|
| Efficiencies derived from increased channel shift | 60 | ➔ | (60) | - |

Reasons for and explanation of proposed change in service

As a result of reduced funding for Local Government, a position which is expected to worsen in coming years and continued low returns on treasury investments due to poor interest rates, a vision for becoming more financially self-reliant has been articulated through the organisation's Corporate Plan.

This has led to the development of a number of corporate projects which will aim to provide new streams of income into the Council. In order for these projects to be progressed however, some initial additional resource will be required. As many of the areas to be progressed are in some way property or asset related, it is clear that the current Property and Facilities Management service does not have adequate resource in both financial and staffing terms at this stage.

In this respect an amount of £60k for each of 2014/15 and 2015/16 is to be set aside from unallocated reserves to support corporate, income generating projects. This amounts to £35k for direct staffing costs and £25k for initial external advice and feasibility work.

Key Stakeholders Affected

All stakeholders

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

Greater ability to deliver on corporate projects contributing towards the aim of becoming more financially self reliant.

| 2013/14 Budget | £'000 | Performance Indicators | | |
|------------------|-------|------------------------|--------|--------|
| Operational Cost | n/a | Code & Description | Actual | Target |
| Income | | n/a | | |
| Net Cost | | | | |

SCIA 19 (14/15)

| | | | |
|----------------------|-----------------------|----------------------|---------|
| Service Area: | Benefits Grants | Service: | Finance |
| Activity | Benefits Admin. Grant | No. of Staff: | n/a |

| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
|---|---------------|---------------|---------------|---------------|
| Reduction in grant from central government | 46 | → | → | → |
| Transfer from Housing Benefit Subsidy Reserve | (46) | → | → | → |

| | |
|--|--|
| Reasons for and explanation of proposed change in service | Government support towards administration of the Benefits Service will reduce by £46,000 to £496,000. The impact of this can be funded from the Housing Benefit Subsidy Reserve. |
|--|--|

| | |
|----------------------------------|--------------------|
| Key Stakeholders Affected | Benefit recipients |
|----------------------------------|--------------------|

| | |
|---|-----|
| Likely impacts and implications of the change in service (include Risk Analysis) | n/a |
|---|-----|

| 2013/14 Budget | £'000 | Performance Indicators | | |
|-------------------------|--------------|-------------------------------|---------------|---------------|
| Operational Cost | 26,140 | Code & Description | Actual | Target |
| Income | 26,799 | n/a | | |
| Net Cost | -659 | | | |

SCIA 20 (14/15)

| | | | |
|----------------------|-------------------------|----------------------|------------------|
| Service Area: | Building Control | Service: | Building Control |
| Activity | Proposed Shared Working | No. of Staff: | 7 FTE |

| | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|
| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
| Estimated | (41) | (9) | ➔ | ➔ |

Reasons for and explanation of proposed change in service

Proposal for shared working arrangement with T&MBC for Building Control work. Estimated saving represents 50% share of overall savings (subject to staff consultation and job evaluation). Subject to approval by:

- Finance and Resources Advisory Committee on 21.1.14
- Economic and Community Development Advisory Committee on 26.2.14
- Cabinet on 6.3.14, and
- T&MBC

14/15 savings calculated on shared working arrangement commencing in June 2014.

Key Stakeholders Affected

Building Control clients of SDC and T&MBC.

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

Designed to have no impact on service delivery. Will increase resilience and capacity of Building Control Team.

| 2013/14 Budget | £'000 | Performance Indicators | | |
|------------------|-------|---|--------|--------|
| Operational Cost | 365 | Code & Description | Actual | Target |
| Income | (462) | LP139 – Plans checked in 15 working days. | 95% | 98% |
| Net Cost | (97) | MP153 – Average Plan check days. | 7 | 5 |

SCIA 21 (14/15)

| | | | |
|----------------------|-------------------|----------------------|-------------------|
| Service Area: | Customer Services | Service: | Corporate Support |
| Activity | Customer Services | No. of Staff: | 15.02 fte |

| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
|--|---------------|---------------|---------------|---------------|
| Efficiencies derived from increase channel shift | - | - | (20) | ➔ |

Reasons for and explanation of proposed change in service

With the continuing move towards increased self-service and uptake of services through the website, it is expected that this would lead to efficiencies allowing a reduction in allocated budget.

Key Stakeholders Affected

All customers

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

If progress towards channel-shift and self-service does not result in a reduction in volume of telephone and face-to-face transactions or there is an increase in demand for services, a reduction in resource may become an issue

| 2013/14 Budget | £'000 | Performance Indicators | | |
|-------------------------|--------------|---|---------------|---------------|
| Operational Cost | 427 | Code & Description | Actual | Target |
| Income | 0 | LPI CS 001 – Percentage of Phone Calls Answered within 20 seconds by the Contact Centre | 71.4% | 70% |
| Net Cost | 427 | LPI CS 003 – Percentage of all queries resolved at first point of contact | 82.4% | 70% |

SCIA 22 (14/15)

| | | | |
|----------------------|------------------------|----------------------|----------------------|
| Service Area: | Business & Communities | Service: | Economic Development |
| Activity | Business Support | No. of Staff: | 0.40 fte |

| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
|---|---------------|---------------|---------------|---------------|
| Deletion of contribution to KCC towards administration costs of the Escalate project (making 0% Business Loans available to local businesses) | (6) | ➔ | ➔ | ➔ |

Reasons for and explanation of proposed change in service

The estimated cost of administering the Escalate 0% Business Loans scheme, which is undertaken by Kent County Council, included a charge to participating districts. This contribution was included as a growth item in SCIA 1 for 2014/15. However, since the budget was first prepared, KCC have informed us that they will be absorbing the cost of the administration for this scheme. It is therefore no longer required.

Key Stakeholders Affected

None

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

No adverse impact since this work will continue

| 2013/14 Budget | £'000 | Performance Indicators | | |
|-------------------------|--------------|-------------------------------|---------------|---------------|
| Operational Cost | 44 | Code & Description | Actual | Target |
| Income | - | | | |
| Net Cost | 44 | | | |

SCIA 23 (14/15)

| | | | |
|----------------------|-----------------|----------------------|----------|
| Service Area: | Housing | Service: | Homeless |
| Activity | Bed & Breakfast | No. of Staff: | 1.70 fte |

| | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|
| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
| Bed & Breakfast | (10) | ➔ | ➔ | ➔ |

Reasons for and explanation of proposed change in service

Despite the recession and the recent flooding there has been minimal use of B&B and then only for emergencies. This has been due to effective proactive working to avoid eviction and maximisation of the private sector. In addition, the HERO scheme has helped to reduce homelessness. As a result it has been possible to identify an on going saving for this budget.

Key Stakeholders Affected

Potentially homeless people , WKHA (Register)

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

There is sufficient funding left in the budget to fund B&B for emergencies and effective proactive working continues to avoid eviction. One example is potentially homeless people are offered the Private Lettings scheme to rent in the private sector and this does not adversely affect them.

| 2013/14 Budget | £'000 | Performance Indicators | | |
|------------------|-------|------------------------|--------|--------|
| | | Code & Description | Actual | Target |
| Operational Cost | 137 | | | |
| Income | (24) | | | |
| Net Cost | 113 | | | |

SCIA 24 (14/15)

| | | | |
|----------------------|-----------------|----------------------|-------------------------|
| Service Area: | Housing | Service: | Needs and Stock Surveys |
| Activity | Housing Surveys | No. of Staff: | 0 fte |

| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
|----------------------------------|---------------|---------------|---------------|---------------|
| Housing Surveys | (12) | → | → | → |

Reasons for and explanation of proposed change in service

Government required Housing related surveys (such as Private Housing Condition survey) were funded from SDC budgets (renewed roughly every 5 years) and the cost was met by creating a cumulative budget of around £12,000 per annum. Recently some surveys have been funded by Section 106 funding and this along with sharing surveys with others will enable this saving to be made on going.

Key Stakeholders Affected

Housing and Planning Policy
Local community

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

This will not create any adverse issues to the local community or affect housing or planning policies as the surveys will still be completed with the cost shared or from external funding.

| 2013/14 Budget | £'000 | Performance Indicators | | |
|-------------------------|--------------|-------------------------------|---------------|---------------|
| | | Code & Description | Actual | Target |
| Operational Cost | 12 | | | |
| Income | - | | | |
| Net Cost | 12 | | | |

SCIA 25 (14/15)

| | | | |
|----------------------|-------------------|----------------------|-------------------|
| Service Area: | Planning Services | Service: | Planning Services |
| Activity | Planning Services | No. of Staff: | 47.19 fte |

| Activity Budget Reduction | 14/15 £000 | 15/16 £000 | 16/17 £000 | 17/08 £000 |
|----------------------------------|---------------|---------------|---------------|---------------|
| Efficiency savings | (22) | → | → | → |

Reasons for and explanation of proposed change in service

The saving will predominantly be made from the salary budget where some staff have chosen to reduce hours, and from redefining roles following resignations.

Key Stakeholders Affected

None

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

Wider operational efficiencies will ensure that the service can effectively manage with reduced capacity so that any impact on customer services is kept to a minimum.

| 2013/14 Budget | £'000 | Performance Indicators | | |
|-------------------------|--------------|-------------------------------|---------------|---------------|
| | | Code & Description | Actual | Target |
| Operational Cost | 2,101 | | | |
| Income | (696) | | | |
| Net Cost | 1,405 | | | |

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Summary of Council Expenditure & Council Tax

| | 2013/14 Budget Net Expenditure £000 | 2014/15 Budget Net Expenditure £000 |
|--|--|---|
| Service expenditure before Support Services and Capital Charges including trading accounts (see Appendix F) | 14,013 | 14,286 |
| Capital Charges and Support Services charged outside the General Fund | (213) | (180) |
| Sub Total | 13,800 | 14,106 |
| Non allocated expenditure: | | |
| Collection Fund adjustment | 0 | 0 |
| Net Service Expenditure excluding Capital Charges | 13,800 | 14,106 |
| Revenue Support Grant | (1,926) | |
| Revenue Support Grant inc CTS | | (2,225) |
| Retained Business Rates | (1,862) | (1,898) |
| Government Support to be passed to Parishes | (274) | |
| Government Support passed to Parishes | 274 | |
| New Homes Bonus | (976) | (1,389) |
| Council Tax Requirement - Sevenoaks DC | (8,728) | (9,010) |
| Council Tax Support Grant | (734) | 0 |
| Government support to offset Council Tax freeze | 0 | 0 |
| Grant & Council Tax income | (14,226) | (14,522) |
| Net Expenditure after Grant & Council Tax, before interest | (426) | (417) |
| Less: Interest and Investment income | (229) | (244) |
| Amount to be met from Reserves | (655) | (661) |
| Contributions (to) / from reserves | | |
| Earmarked Reserves | | |
| Capital | (298) | (198) |
| Reorganisation | (100) | 0 |
| Budget Stabilisation | (1,052) | (1,036) |
| New Homes Bonus | 215 | 0 |
| Financial Plan | 580 | 573 |
| Planned contribution from Gen Fund Res | 0 | 0 |
| | (655) | (661) |

| | 2012/13 | 2013/14 | 2014/15 |
|----------------------|---------|---------|---------|
| Taxbase | 50,860 | 47,053 | 47629 |
| | £ | £ | £ |
| Council Tax @ Band D | 181.89 | 185.49 | |

Council Tax Summary

| Band D charge | | | % | % |
|---------------------|----------|----------|-------|-------|
| Kent County | 1,047.78 | 1,047.78 | 69.2 | |
| Kent Fire | 67.95 | 67.95 | 4.5 | |
| Kent Police | 138.68 | 141.47 | 9.3 | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,254.41 | 1,257.20 | 83.1 | 0 |
| Sevenoaks District | 181.89 | 185.49 | 12.3 | |
| Average Town/Parish | 66.56 | 70.61 | 4.7 | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,502.86 | 1,513.30 | 100.0 | 0 |

Interest Receipts Summary

| | | | |
|-----------------------------|--|-------|-------|
| Investment interest | | 260 | 268 |
| Mortgage and other interest | | 2 | 2 |
| Allocations to Provisions | | (33) | -26 |
| Net Revenue contribution | | <hr/> | <hr/> |
| | | 229 | 244 |

Net Service Expenditure analysed by Head of Service

| | Actuals 12/13 | Budget 13/14 | Proposed Budget 14/15 |
|--|----------------------|---------------------|----------------------------------|
| | £'000 | £'000 | £'000 |
| Communities and Business | 966 | 1,014 | 967 |
| Planning Services | 1,261 | 1,405 | 1,300 |
| Environmental and Operational Services | 2,816 | 2,533 | 2,523 |
| Financial Services | 4,374 | 4,597 | 5,022 |
| Housing | 728 | 779 | 722 |
| Corporate Support | 2,842 | 3,102 | 3,208 |
| Legal and Governance | 592 | 630 | 608 |
| Total Service Expenditure | 13,579 | 14,060 | 14,350 |
| Direct Services | | -64 | -64 |
| | | 13,996 | 14,286 |
| Items outside General Fund | | -196 | -180 |
| | | 13,800 | 14,106 |

Analysis of budget changes between 13/14 and 14/15

| | |
|---------------------------------------|---------------|
| Base Budget 2013/14 | 13,800 |
| Inflation | 488 |
| Planned Savings agreed previous years | -99 |
| SCIAS 2014/15 | |
| Growth | 297 |
| Savings | -380 |
| Proposed Budget 2014/15 | 14,106 |

| | Actuals 12/13 | Budget 13/14 | Proposed Budget |
|---|----------------------|---------------------|------------------------|
| | £'000 | £'000 | 14/15 |
| | | | £'000 |
| Pay Costs | 9,088 | 9,744 | 10,095 |
| Pay Costs Externally Funded | 40 | 0 | 0 |
| Premises and Grounds | 1,815 | 1,616 | 1,639 |
| Transport | 52 | 62 | 62 |
| Supplies & Services | 2,060 | 2,218 | 2,235 |
| Supplies & Services IT | 623 | 726 | 700 |
| Agency & Contracted | 3,951 | 3,813 | 4,117 |
| Agency & Contracted - Partnerships | 3,405 | 2,624 | 2,622 |
| Agency & Contracted - Direct Services | 3,442 | 3,630 | 3,690 |
| Transfer Payments - Benefits | 34,039 | 26,140 | 27,590 |
| Transfer Payments - Other | 117 | 45 | 37 |
| Staff Costs - Other Chief Officers | 678 | 672 | 456 |
| Support Services | 117 | 50 | 50 |
| Funds drawn to/from Reserves | 480 | 5 | -133 |
| Capital Charges | 0 | 0 | 0 |
| Income - Other | -37,066 | -28,603 | -29,918 |
| Income - Fees and Charges | -5,662 | -5,550 | -5,786 |
| Recharges | -302 | -322 | -298 |
| Recharges - Partnerships | -3,298 | -2,810 | -2,808 |
| not budget lines | 0 | 0 | 0 |
| | <hr/> | <hr/> | <hr/> |
| Service expenditure before re-allocation of Support Services and Capital charges | 13,579 | 14,060 | 14,350 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Direct Services (net) | | -64 | -64 |
| Items outside General Fund | | -196 | -180 |
| | | <hr/> | <hr/> |
| | | 13,800 | 14,106 |
| | | <hr/> <hr/> | <hr/> <hr/> |

Net Service Expenditure analysed by Chief Officer

| | Actuals 12/13 | Budget 13/14 | Proposed Budget 14/15 |
|--|--------------------------|-------------------------|----------------------------------|
| | £'000 | £'000 | £'000 |
| Communities and Business | | | |
| 8 to 12 project | 0 | 0 | 0 |
| Arts Development | 0 | 0 | 0 |
| All Weather Pitch | -2 | -2 | -2 |
| Big Community Fund | 0 | 0 | 0 |
| Broadband | 0 | 0 | 50 |
| Community Activity | -0 | 0 | 0 |
| Community Safety | 205 | 209 | 179 |
| Community Development Service Provisions | -11 | -2 | -5 |
| The Community Plan | 59 | 70 | 45 |
| Economic Development | 41 | 44 | 69 |
| Grants to Organisations | 178 | 183 | 181 |
| Health Improvements | 42 | 45 | 45 |
| Leisure Contract | 259 | 281 | 295 |
| Leisure Development | 20 | 20 | 20 |
| Local Strategic Partnership | 0 | 0 | 0 |
| Partnership - Child | 0 | 0 | 0 |
| Partnership - Home Office | -0 | 0 | 0 |
| Administrative Expenses - Communities & Business | 9 | 14 | 14 |
| STAG Community Arts Centre | 100 | 75 | 0 |
| Sustainability | 4 | 0 | 0 |
| Tourism | 24 | 28 | 29 |
| Choosing Health WK PCT | -0 | 0 | 0 |
| Falls Prevention | 0 | 0 | 0 |
| PCT Health Checks | 0 | 0 | 0 |
| New Ash Green | 0 | 0 | 0 |
| PCT Initiatives | 0 | 0 | 0 |
| Troubled Families Project | 0 | 0 | 0 |
| West Kent Partnership | 0 | 0 | 0 |
| West Kent Partnership Business Support | 0 | 0 | 0 |
| Youth | 39 | 49 | 48 |
| Total Service Expenditure | 966 | 1,014 | 967 |

| | Actuals 12/13 £'000 | Budget 13/14 £'000 | Proposed Budget 14/15 £'000 |
|---|------------------------------------|-----------------------------------|--|
| Communities and Business | | | |
| Pay Costs | 439 | 477 | 507 |
| Pay Costs Externally Funded | 40 | 0 | 0 |
| Premises and Grounds | 77 | 71 | 73 |
| Transport | 4 | 9 | 7 |
| Supplies & Services | 142 | 137 | 128 |
| Supplies & Services IT | 0 | 0 | 0 |
| Agency & Contracted | 621 | 515 | 507 |
| Staff Costs - Other Chief Officers | 25 | 24 | -0 |
| Support Services | 4 | 0 | 0 |
| Funds drawn to/from Reserves | -60 | 0 | -20 |
| Income - Other | -268 | -187 | -187 |
| Income - Fees and Charges | -57 | -33 | -49 |
| Recharges | 0 | 0 | 0 |
| Service expenditure before re-allocation of Support Services and Capital charges | 966 | 1,014 | 967 |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|------------|
| Base Budget 2013/14 | 1,014 |
| Inflation | 32 |
| Planned Savings agreed previous years | |
| SCIA 24 (2010/11) STAG Agreement | -75 |
| SCIAS 2014/15 | |
| SCIA 1 (2014/15) Admin Costs External Funding | 10 |
| SCIA 2 (2014/15) Broadband | 50 |
| SCIA 7 (2014/15) Efficiency Review | -10 |
| SCIA 22 (2014/15) Reduction re West Kent Partnership | -6 |
| Other Adjustments between Chief Officers | |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | -48 |
| Proposed Budget 2014/15 | 967 |

Net Service Expenditure analysed by Chief Officer

| | Actuals 12/13 | Budget 13/14 | Proposed Budget 14/15 |
|---|--------------------------|-------------------------|----------------------------------|
| | £'000 | £'000 | £'000 |
| Planning Services | | | |
| Affordable Housing | 0 | 0 | 0 |
| Bridleways / Footpath Diversions | 1 | 0 | 0 |
| Conservation | 44 | 50 | 46 |
| Planning Policy | 342 | 417 | 416 |
| LDF Expenditure | -0 | 0 | 0 |
| Planning - Appeals | 166 | 188 | 194 |
| Planning - Counter | -0 | -0 | -0 |
| Planning - Development Management | 429 | 446 | 328 |
| Planning - Enforcement | 259 | 272 | 278 |
| Administrative Expenses - Planning Services | 21 | 31 | 39 |
| Total Service Expenditure | 1,261 | 1,405 | 1,300 |

| | Actuals | Budget | Proposed |
|---|----------------|---------------|---------------------|
| | 12/13 | 13/14 | Budget 14/15 |
| | £'000 | £'000 | £'000 |
| Planning Services | | | |
| Pay Costs | 1,692 | 1,809 | 1,855 |
| Premises and Grounds | 0 | 1 | 1 |
| Transport | 1 | 1 | 0 |
| Supplies & Services | 60 | 66 | 67 |
| Supplies & Services IT | 2 | 0 | 2 |
| Agency & Contracted | 163 | 87 | 86 |
| Transfer Payments - Other | 7 | 0 | 0 |
| Staff Costs - Other Chief Officers | 61 | 61 | 17 |
| Funds drawn to/from Reserves | -45 | 77 | 5 |
| Income - Other | -13 | 0 | 0 |
| Income - Fees and Charges | -641 | -676 | -713 |
| Recharges | -24 | -20 | -20 |
| Service expenditure before re-allocation of Support Services and Capital charges | 1,261 | 1,405 | 1,300 |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|--------------|
| Base Budget 2013/14 | 1,405 |
| Inflation | 50 |
| Planned Savings agreed previous years | 0 |
| SCIAs 2014/15 | |
| SCIA 17 (2014/15) Planning Income | -35 |
| SCIA 25 (2014/15) Efficiencies in Planning | -22 |
| Other Adjustments between Chief Officers | |
| Scanning staff | -40 |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | -58 |
| Proposed Budget 2014/15 | 1,300 |

Net Service Expenditure analysed by Chief Officer

| | Actuals 12/13 | Budget 13/14 | Proposed Budget 14/15 |
|---|--------------------------|-------------------------|----------------------------------|
| | £'000 | £'000 | £'000 |
| Environmental and Operational Services | | | |
| Asset Maintenance Car Parks | 55 | 16 | 19 |
| Asset Maintenance CCTV | 14 | 12 | 16 |
| Asset Maintenance Countryside | 2 | 5 | 8 |
| Asset Maintenance Direct Services | 25 | 27 | 36 |
| Asset Maintenance Playgrounds | 0 | 8 | 14 |
| Asset Maintenance Public Toilets | 0 | 8 | 14 |
| Building Control Discretionary Work | 2 | -0 | -1 |
| Building Control | -58 | -84 | -162 |
| Car Parks | -1,448 | -1,663 | -1,731 |
| CCTV | 271 | 244 | 234 |
| Civil Protection | 25 | 32 | 33 |
| Dangerous Structures | 20 | 23 | 23 |
| Dartford Environmental Hub (SDC Costs) | 0 | 0 | 0 |
| On-Street Parking | -345 | -403 | -430 |
| Trade Waste (VAT) | 0 | 0 | 0 |
| EH Commercial | 239 | 262 | 255 |
| EH Animal Control | 22 | 1 | 1 |
| EH Environmental Protection | 355 | 396 | 382 |
| Emergency | 58 | 62 | 63 |
| Estates Management - Grounds | 86 | 95 | 97 |
| Land Charges | -85 | -91 | -93 |
| Licensing Partnership Hub (Trading) | -0 | 0 | 0 |
| Licensing Regime | 10 | -3 | -5 |
| Markets | -156 | -241 | -192 |
| Parks and Recreation Grounds | 124 | 97 | 97 |
| Parks - Rural | 65 | 80 | 74 |
| Environmental Health Partnership | 0 | 0 | 0 |
| Pest Control | 0 | 0 | 0 |
| Public Transport Support | 1 | 0 | 0 |
| Refuse Collection | 2,248 | 2,284 | 2,378 |
| Administrative Expenses - Building Control | 8 | 9 | 9 |
| Administrative Expenses - Direct Services | 0 | 0 | 0 |
| Administrative Expenses - Health | 12 | 25 | 26 |
| Administrative Expenses - Transport | 7 | 9 | 10 |
| Street Naming | 3 | 13 | 14 |
| Street Cleansing | 1,163 | 1,216 | 1,240 |
| Support - Health and Safety | 20 | 18 | 18 |
| Support - Direct Services | 39 | 52 | 54 |
| Taxis | -12 | -16 | -20 |
| Public Conveniences | 49 | 41 | 43 |
| Air Quality (Ext Funded) | 0 | 0 | 0 |
| National Food Hygiene Rating Scheme | -3 | 0 | 0 |
| Total Service Expenditure | 2,816 | 2,533 | 2,523 |

| | Actuals 12/13 £'000 | Budget 13/14 £'000 | Proposed Budget 14/15 £'000 |
|---|------------------------------------|-----------------------------------|--|
| Environmental and Operational Services | | | |
| Pay Costs | 2,160 | 2,314 | 2,272 |
| Premises and Grounds | 744 | 529 | 561 |
| Transport | 34 | 32 | 33 |
| Supplies & Services | 532 | 578 | 571 |
| Supplies & Services IT | 7 | 0 | 0 |
| Agency & Contracted | 515 | 402 | 403 |
| Agency & Contracted - Partnerships | 696 | 739 | 706 |
| Agency & Contracted - Direct Services | 3,385 | 3,573 | 3,681 |
| Transfer Payments - Other | 0 | 0 | 0 |
| Staff Costs - Other Chief Officers | 28 | 35 | 24 |
| Support Services | 11 | 11 | 11 |
| Funds drawn to/from Reserves | -78 | 0 | 0 |
| Income - Other | -683 | -714 | -667 |
| Income - Fees and Charges | -4,151 | -4,184 | -4,322 |
| Recharges | 0 | 0 | 0 |
| Recharges - Partnerships not budget lines | -384 0 | -782 0 | -749 0 |
| Service expenditure before re-allocation of Support Services and Capital charges | 2,816 | 2,533 | 2,523 |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|--------------|
| Base Budget 2013/14 | 2,533 |
| Inflation | 36 |
| Planned Savings agreed previous years | |
| SCIA 28 (2011/12) Asset Maintenance Reduction reversal | 31 |
| SCIA 9 (2013/14) EH Partnership - further savings | -30 |
| SCIAs 2014/15 | |
| SCIA 3 (2014/15) Swanley Market - Reduced Income | 62 |
| SCIA 6 (2014/15) Sainsburys - Recycling Income | 30 |
| SCIA 8 (2014/15) Civil Enforcement Officer | -27 |
| SCIA 14 (2014/15) Licensing - Efficiency Review | -10 |
| SCIA 20 (2014/15) Building Control - Joint Working TMBC | -41 |
| Other Adjustments between Chief Officers | |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | -61 |
| Proposed Budget 2014/15 | 2,523 |

Net Service Expenditure analysed by Chief Officer

| | Actuals 12/13 | Budget 13/14 | Proposed Budget 14/15 |
|---|----------------------|---------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Financial Services | | | |
| Action and Development | 6 | 7 | 7 |
| Benefits Admin | 1,008 | 863 | 824 |
| Benefits Grants | -659 | -659 | -659 |
| Consultation and Surveys | 0 | 3 | 3 |
| Corporate Grants | 0 | 0 | 0 |
| Corporate Management | 842 | 930 | 995 |
| Corporate Savings | 0 | -300 | -58 |
| Dartford Partnership Hub (SDC costs) | -541 | 0 | 0 |
| Equalities Legislation | 13 | 17 | 18 |
| External Communications | 136 | 147 | 176 |
| Housing Advances | 3 | 5 | 2 |
| Local Tax | 346 | 127 | 179 |
| Members | 366 | 407 | 412 |
| Misc. Finance | 2,157 | 2,276 | 2,327 |
| Dartford Partnership Implementation & Project Costs | 0 | -30 | -30 |
| Performance Improvement | 5 | 6 | 6 |
| Administrative Expenses - Corporate Director | 6 | 7 | 0 |
| Administrative Expenses - Community Director | 7 | 14 | -0 |
| Administrative Expenses - Chief Executive | 7 | 13 | 35 |
| Administrative Expenses - Financial Services | 29 | 42 | 44 |
| Administrative Expenses - Transformation and Strategy | 0 | 6 | 11 |
| Support - Audit Function | 161 | 145 | 144 |
| Support - Exchequer and Procurement | 127 | 135 | 134 |
| Support - Finance Function | 130 | 222 | 209 |
| Support - General Admin | 113 | 123 | 142 |
| Treasury Management | 111 | 90 | 101 |
| Total Service Expenditure | 4,374 | 4,597 | 5,022 |

| | Actuals 12/13 | Budget 13/14 | Proposed Budget 14/15 |
|---|---------------|--------------|-----------------------|
| | £'000 | £'000 | £'000 |
| Financial Services | | | |
| Pay Costs | 2,298 | 2,449 | 2,552 |
| Premises and Grounds | 132 | 123 | 48 |
| Transport | 2 | 5 | 6 |
| Supplies & Services | 725 | 846 | 894 |
| Supplies & Services IT | 167 | 98 | 101 |
| Agency & Contracted | 2,226 | 2,416 | 2,710 |
| Agency & Contracted - Partnerships | 2,710 | 1,885 | 1,916 |
| Agency & Contracted - Direct Services | 4 | 0 | 0 |
| Transfer Payments - Benefits | 34,039 | 26,140 | 27,590 |
| Transfer Payments - Other | 0 | 0 | 0 |
| Staff Costs - Other Chief Officers | 415 | 416 | 411 |
| Support Services | 63 | 0 | 0 |
| Funds drawn to/from Reserves | 453 | -142 | -138 |
| Income - Other | -35,634 | -27,180 | -28,568 |
| Income - Fees and Charges | -248 | -281 | -317 |
| Recharges | -194 | -218 | -192 |
| Recharges - Partnerships | -2,783 | -1,960 | -1,991 |
| Service expenditure before re-allocation of Support Services and Capital charges | 4,374 | 4,597 | 5,022 |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|--------------|
| Base Budget 2013/14 | 4,597 |
| Inflation | 210 |
| Planned Savings agreed previous years | |
| SCIA 62 Terms & Conditions | 35 |
| SCIAs 2014/15 and Funding adjustments | |
| SCIA 4 (2014/15) Treasury Mgt Card Payments | 11 |
| SCIA 5 (2014/15) Financial Resilience | 28 |
| SCIA 11 (2014/15) London Road Rent and Rates | -76 |
| SCIA 12 (2014/15) Finance - Efficiency Review | -40 |
| SCIA 19 (2014/15) Reduced Govt. grant for Benefit Admin | 46 |
| SCIA 19 (2014/15) Reduced Govt. grant for Benefit Admin - reserves | -46 |
| Other Adjustments between Chief Officers | |
| Staff movements | -8 |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | 265 |
| Proposed Budget 2014/15 | 5,022 |

Net Service Expenditure analysed by Chief Officer

| | Actuals | | Proposed |
|---|----------------|---------------------|---------------------|
| | 12/13 | Budget 13/14 | Budget 14/15 |
| | £'000 | £'000 | £'000 |
| Housing | | | |
| Home Improvement Agency (prev. Care and Repair) | 20 | 0 | 0 |
| Energy Efficiency | 22 | 22 | 23 |
| Gypsy Sites | -24 | -23 | -31 |
| Homeless | 116 | 113 | 96 |
| Disabled Facilities Grant Administration | 0 | 0 | 0 |
| Housing | 378 | 436 | 447 |
| Housing Initiatives | 9 | 8 | 6 |
| Homelessness Prevention | 0 | 0 | 0 |
| Needs and Stock Surveys | 13 | 13 | -2 |
| Housing Option - Trailblazer | 0 | -0 | 0 |
| KCC Loan Scheme | 0 | 0 | 0 |
| Private Sector Housing | 174 | 189 | 155 |
| Administrative Expenses - Housing | 12 | 17 | 18 |
| Homelessness Funding | 0 | 0 | 0 |
| Leader Programme | 9 | 4 | 10 |
| Total Service Expenditure | 728 | 779 | 722 |

| | Actuals | Budget 13/14 | Proposed |
|---|----------------|---------------------|---------------------|
| | 12/13 | Budget 13/14 | Budget 14/15 |
| | £'000 | £'000 | £'000 |
| Housing | | | |
| Pay Costs | 591 | 696 | 726 |
| Premises and Grounds | 21 | 18 | 11 |
| Transport | 1 | 0 | 0 |
| Supplies & Services | 18 | 21 | 21 |
| Supplies & Services IT | 0 | 0 | 0 |
| Agency & Contracted | 228 | 170 | 153 |
| Transfer Payments - Benefits | 0 | 0 | 0 |
| Transfer Payments - Other | 68 | 45 | 37 |
| Staff Costs - Other Chief Officers | 24 | 26 | 5 |
| Funds drawn to/from Reserves | 51 | 70 | 20 |
| Income - Other | -183 | -201 | -183 |
| Income - Fees and Charges | -91 | -68 | -69 |
| Recharges | 0 | 0 | 0 |
| Service expenditure before re-allocation of Support Services and Capital charges | 728 | 779 | 722 |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|------------|
| Base Budget 2013/14 | 779 |
| Inflation | 20 |
| Planned Savings agreed previous years | |
| SCIAS 2014/15 | |
| SCIA 13 (2014/15) Efficiency Review Housing Initiatives | -15 |
| SCIA 23 (2014/15) Bed and Breakfast | -10 |
| SCIA 24 (2014/15) Cost of Housing Surveys | -12 |
| Other Adjustments between Chief Officers | |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | -40 |
| Proposed Budget 2014/15 | 722 |

Net Service Expenditure analysed by Chief Officer

| | Actuals | Proposed Budget | |
|--|----------------|------------------------|--------------|
| | 12/13 | Budget 13/14 | 14/15 |
| | £'000 | £'000 | £'000 |
| Corporate Support | | | |
| Asset Maintenance Argyle Road | 22 | 50 | 59 |
| Asset Maintenance Other Corporate Properties | 21 | 30 | 30 |
| Asset Maintenance Hever Road | 0 | 6 | 6 |
| Asset Maintenance IT | 300 | 290 | 260 |
| Asset Maintenance Leisure | 91 | 165 | 165 |
| Asset Maintenance Support & Salaries | 118 | 95 | 94 |
| Asset Maintenance Sewage Treatment Plants | 0 | 8 | 8 |
| Bus Station | 9 | 14 | 14 |
| Corporate Projects | 0 | 0 | 60 |
| Estates Management - Buildings | -40 | -96 | -66 |
| Housing Premises | -10 | -8 | -8 |
| Administrative Expenses - Corporate Support | 23 | 25 | 26 |
| Administrative Expenses - Human Resources | 14 | 14 | 14 |
| Administrative Expenses - Property | 0 | 4 | 4 |
| Support - Central Offices | 385 | 405 | 449 |
| Support - Contact Centre | 379 | 427 | 417 |
| Support - Central Offices - Facilities | 239 | 260 | 257 |
| Support - General Admin | 220 | 244 | 254 |
| Support - IT | 700 | 803 | 764 |
| Support - Local Offices | 52 | 55 | 56 |
| Support - Nursery | 3 | 0 | 0 |
| Support - Human Resources | 242 | 249 | 288 |
| Support - Property Function | 72 | 65 | 57 |
| Total Service Expenditure | 2,842 | 3,102 | 3,208 |

| | Actuals | Budget 13/14 | Proposed Budget |
|---|----------------|---------------------|------------------------|
| | 12/13 | 13/14 | 14/15 |
| | £'000 | £'000 | £'000 |
| Corporate Support | | | |
| Pay Costs | 1,484 | 1,566 | 1,745 |
| Premises and Grounds | 822 | 853 | 924 |
| Transport | 5 | 8 | 8 |
| Supplies & Services | 390 | 403 | 375 |
| Supplies & Services IT | 443 | 620 | 587 |
| Agency & Contracted | 91 | 97 | 130 |
| Agency & Contracted - Direct Services | 53 | 56 | 10 |
| Transfer Payments - Other | 3 | 0 | 0 |
| Staff Costs - Other Chief Officers | 89 | 79 | -0 |
| Support Services | 39 | 39 | 39 |
| Funds drawn to/from Reserves | 143 | 0 | 0 |
| Capital Charges | 0 | 0 | 0 |
| Income - Other | -134 | -196 | -176 |
| Income - Fees and Charges | -372 | -272 | -279 |
| Recharges | -84 | -84 | -86 |
| Recharges - Partnerships | -130 | -68 | -68 |
| not budget lines | 0 | 0 | 0 |
| | <hr/> | <hr/> | <hr/> |
| Service expenditure before re-allocation of Support Services and Capital charges | 2,842 | 3,102 | 3,208 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|--------------------------|
| Base Budget 2013/14 | 3,102 |
| Inflation | 121 |
| Planned Savings agreed previous years | |
| SCIA 49 (2011/12) Systems & Support - Review Resources | -60 |
| SCIAs 2014/15 | |
| SCIA 9 (2014/15) External Print Income | -10 |
| SCIA 10 (2014/15) Corporate Support Efficiency Review | -20 |
| SCIA 18 (2014/15) Corporate Projects | 60 |
| Other Adjustments between Chief Officers | |
| Staff Movements (Scanning staff & Apprentice) | 48 |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | -33 |
| Proposed Budget 2014/15 | <hr/> <hr/> 3,208 |

Net Service Expenditure analysed by Chief Officer

| | Actuals | | Proposed Budget |
|--|----------------|---------------------|------------------------|
| | 12/13 | Budget 13/14 | 14/15 |
| | £'000 | £'000 | £'000 |
| Legal and Governance | | | |
| Civic Expenses | 13 | 15 | 15 |
| Committee Admin | 93 | 103 | 117 |
| Elections | 65 | 71 | 72 |
| Register of Electors | 117 | 135 | 140 |
| Administrative Expenses - Legal and Governance | 66 | 73 | 74 |
| Support - Legal Function | 237 | 233 | 190 |
| Total Service Expenditure | 592 | 630 | 608 |

| | Actuals | | Proposed Budget |
|---|----------------|---------------------|------------------------|
| | 12/13 | Budget 13/14 | 14/15 |
| | £'000 | £'000 | £'000 |
| Legal and Governance | | | |
| Pay Costs | 425 | 433 | 437 |
| Premises and Grounds | 19 | 20 | 20 |
| Transport | 5 | 7 | 7 |
| Supplies & Services | 193 | 168 | 179 |
| Supplies & Services IT | 4 | 7 | 10 |
| Agency & Contracted | 108 | 127 | 128 |
| Staff Costs - Other Chief Officers | 36 | 31 | -0 |
| Funds drawn to/from Reserves | 16 | 0 | 0 |
| Income - Other | -150 | -125 | -137 |
| Income - Fees and Charges | -64 | -37 | -38 |
| Service expenditure before re-allocation of Support Services and Capital charges | 592 | 630 | 608 |

Analysis of budget changes between 13/14 and 14/15

| | |
|--|------------|
| Base Budget 2013/14 | 630 |
| Inflation | 19 |
| Planned Savings agreed previous years | 0 |
| SCIAS 2014/15 | 0 |
| Other Adjustments between Chief Officers | |
| SCIA 59 (2011/12) Adjustments following Senior Management Review | -41 |
| Proposed Budget 2014/15 | 608 |

PAY COST ESTIMATES SUMMARY 2014/2015

| Line No. | | 2013/14 BUDGET | 2014/15 BUDGET | 2013/14 FTE | 2014/15 FTE |
|----------|---|-------------------|-------------------|---------------|---------------|
| 1 | Communities and Business | 372,951 | 389,458 | 8.54 | 8.73 |
| 2 | Corporate Support | 1,841,455 | 1,980,046 | 57.65 | 60.56 |
| 3 | Environment and Operations | 5,236,022 | 5,044,425 | 159.18 | 148.56 |
| 4 | Finance | 2,428,596 | 2,504,138 | 64.52 | 64.72 |
| 5 | Housing | 559,152 | 586,142 | 11.99 | 12.35 |
| 6 | Legal & Governance | 531,543 | 546,616 | 11.92 | 11.92 |
| 7 | Planning | 1,822,390 | 1,881,704 | 47.19 | 46.19 |
| 8 | SCIA 59 (Budgets within previous structure) | 229,402 | 0 | 2.32 | - |
| | | 13,021,511 | 12,932,529 | 363.31 | 353.03 |
| | Other Salary Costs | | | | |
| 9 | Vacancy Savings | -100,000 | (100,000) | 0 | - |
| 10 | Performance Award Contingency | 48,000 | 48,000 | 0 | - |
| 11 | Market Premium Review | 42,272 | 42,272 | 0 | - |
| | SUB-TOTAL | 13,011,783 | 12,922,801 | 363.31 | 353.03 |
| 12 | Community Development (Ext Funded) | 112,196 | 146,258 | 2.54 | 3.81 |
| 13 | Housing (Ext Funded) | 196,461 | 215,887 | 5.90 | 6.09 |
| | GRAND TOTAL | 13,320,440 | 13,284,946 | 371.75 | 362.93 |

NOTES

- Externally funded posts (lines 12 to 13) have been excluded from earlier lines. The income will show elsewhere in the 2014/15 budget

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Statement of Reserves and Provisions

1. This appendix sets out details of the reserves and provisions held by the council. These balances have been subject to a detailed review as part of the budget process. **The items in bold show the changes that are being recommended.**
2. One of the requirements of the Financial Planning Strategy is to have flexible use of the Budget Stabilisation Reserve. The fund would incorporate any annual under-spends and absorb any annual over-spends. **It is recommended that any favourable variance achieved in the 2013/14 budget is put into this reserve.**
3. A Corporate Project Support Reserve be established. As a number of projects are currently being investigated it is important that this is carried out thoroughly and in certain cases may require external expertise. **It is recommended that £200,000 be transferred into the Corporate Project Support Reserve.**
4. The First Time Sewerage Reserve exists in case the Council is asked to contribute to earlier sewerage installations. A number of these installations occurred over twelve years ago so the likelihood of part of this reserve being required is significantly reduced. **It is recommended that £200,000 be transferred from the First Time Sewerage Reserve.**
5. The annual contribution from revenue to the Capital Reserve is currently £298,000. The Government has increased their contribution to the total cost of Disabled Facilities Grants which results in a lower contribution being required from this Council of £100,000 per annum. Therefore the requirement to fund part of the capital programme from the Capital Reserve reduces by the same amount. **It is recommended that the annual contribution from revenue to the Capital Reserve be reduced by £100,000 to £198,000.**
6. The Housing Benefit Subsidy Reserve has grown over recent years due to the favourable method in calculating the Benefit Subsidy received from Government. **It is recommended that £46,000 per annum be transferred from the Housing Benefit Subsidy Reserve to offset the reduction in the Benefit Administration Grant (also see SCIA19).**
7. No movement on the General Fund Reserve is currently planned in 2014/15.
8. The following table set out the reserves and provisions held by the Council at 1st April 2013.

| | 01/04/13 | Purpose (some further details are included in the Statement of Accounts 2012/13) |
|----------------------------|---------------|--|
| Provisions | £000 | |
| Accumulated Absences | 152 | Absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences (e.g. annual leave) earned but not taken in the year. |
| Municipal Mutual Insurance | 305 | A solvent run-off of MMI is now unlikely which may result in Councils being liable to clawback of monies paid out. |
| Other | 34 | To cover potential restitutionary claims in respect of personal search fees of the land register. |
| Sub Total | 491 | |
| Capital Receipts | | |
| Capital Receipts | 1,693 | Balance from previous asset sales and mortgage repayments. Can be used to fund future capital expenditure. |
| Earmarked Reserves | | |
| Action and Development | 395 | To fund ad hoc and unplanned expenditure (including emergencies and flooding). |
| Asset Maintenance | 1,000 | To fund emergency works to assets. |
| Big Community Fund | 110 | To fund local projects. |
| Budget Stabilisation | 4,051 | To support decisions required to continue to produce a balanced budget in future years. |
| Carry Forward Items | 144 | For specific items agreed by Cabinet, e.g. if a project has slipped between years. |
| Community Development | 460 | External funding received for ongoing and future projects. |
| Financial Plan | 5,224 | Funds moved from the Asset Maintenance and Employer's Superannuation Reserves to support the 10-year budget. |
| First Time Sewerage | 915 | Transferred from a provision for potential liabilities relating to earlier sewerage installations. |
| Homelessness Prevention | 197 | For preventing homelessness. |
| Housing Benefit Subsidy | 1,021 | Provides a cushion against large movements in reclaimable sums in any year. |
| IT Asset Maintenance | 314 | To fund future IT asset maintenance costs. |
| Local Plan/LDF | 520 | To help support the Local Plan and Local Development Framework. |
| New Homes Bonus | 594 | Due to the uncertainty of future Government funding an element of NHB is being kept separate. |
| Pension Fund Valuation | 809 | To contribute towards downturns in future next pension fund actuarial valuations. |
| Rent Deposit Guarantees | 112 | To support the homeless etc, by providing their initial deposit and guarantee for a property. |
| Re-organisation | 386 | To fund actions taken to achieve annual budget savings. |
| Vehicle Insurance | 277 | Own vehicle damage for the commercial vehicle fleet. Contributions are made from the trading accounts. |
| Vehicle Renewal | 508 | Vehicle replacement for the commercial vehicle fleet. Contributions are made from the revenue trading accounts each year |
| Others | 593 | Mainly reserves where contributions are made annually from revenue, to meet specific periodic costs - e.g. district elections, community safety audit, civic expenses transport. |
| Sub Total | 17,630 | |
| General Fund | 3,713 | Acts as a working balance to meet unexpected issues during the year, for which a minimum of 10% of net service expenditure recommended. It also meets any planned deficits on the revenue account. |
| TOTAL | 23,527 | |

Definitions:

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

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

Earmarked Reserve – amounts set aside for purposes falling outside the definition of Provisions. Expenditure should not be charged direct to reserves, but shown in the Revenue Account with the transfer to or from the reserve distinguished from service expenditure. For each reserve the purpose, usage and basis of transactions should be clearly identified.

Unallocated Reserve – the General Fund balance. Amounts not set-aside for a specific purpose. The only transaction should be the surplus or deficit on the General Fund each year.

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Risk Factors 2014/15

| Issue | £ Scale | Likelihood 1 (low) – 5 (high) | Impact 1 (low) – 5 (high) | Total Score | Potential Annual Impact and Sensitivity Analysis | Risk Areas | Controls and Actions in place |
|-------------------------------|------------------------|-------------------------------------|---------------------------------|----------------|--|---|--|
| Pay Costs | £13m total costs | 2 | 4 | 8 | 1% pay increase = £130k. Budget assumptions: 1% pay award, | Largest single item of cost. Complex drivers across the organisation. | Strict monitoring of both financials and staff numbers. New salary bands introduced from 1 April 2012 which reduced the costs of annual increments. Formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement. |
| Pensions Funding | £25m deficit | 1 | 4 | 4 | 1% change in employers contribs = £105k. | Deficit on County Fund. Future actuarial results. Government review. | £520,000 included in 10-year budget in 2014/15 to contribute towards any revaluation increase. |
| Major Service Income areas | | | | | See below by income type | Income subject to local economic conditions. Some very large single-source income targets (see below). | Strict monitoring, with trend analysis. |
| - Land Charges | £0.2m | 4 | 1 | 4 | 20% reduction would be £31k. | Volatile activity levels in the housing market. National legal action now underway in | A provision of £34k is held for the national legal action. Continue to monitor. |

Appendix I

| Issue | £ Scale | Likelihood 1 (low) – 5 (high) | Impact 1 (low) – 5 (high) | Total Score | Potential Annual Impact and Sensitivity Analysis | Risk Areas | Controls and Actions in place |
|-----------------------|---------|-------------------------------------|---------------------------------|----------------|---|---|---|
| | | | | | | relation to Personal Search companies recouping monies expended under the previous legislation. | |
| - Development Control | £0.7m | 3 | 3 | 9 | 20% reduction would be £135k. | Volatile activity levels in the housing market and general economic conditions. | Current year income is above target. Continue to monitor. |
| - Building Control | £0.5m | 4 | 3 | 12 | 20% reduction would be £90k | Volatile activity levels in the housing market and general economic conditions. Competition from commercial organisations | Current year income is above target. Continue to monitor. |
| - Car Parks | £2.0m | 2 | 4 | 8 | 20% reduction would be £405k | General economic conditions; central government directives | Current year income is below target. Continue to monitor. |
| - On-Street Parking | £0.7m | 3 | 3 | 9 | 20% reduction would be £143k | General economic conditions. Legislative constraints on spending surpluses. Reverts to KCC control | Current year is above target. Continue to monitor and review. |

Agenda Item 13

Appendix I

| Issue | £ Scale | Likelihood 1 (low) – 5 (high) | Impact 1 (low) – 5 (high) | Total Score | Potential Annual Impact and Sensitivity Analysis | Risk Areas | Controls and Actions in place |
|--|----------------------------|-------------------------------------|---------------------------------|----------------|--|---|--|
| - Car Parking – Enforcement income | £0.2m | 2 | 2 | 4 | 20% reduction would be £31k | General economic conditions; central government directives | Current year is below target. Continue to monitor and review |
| Partnership working and partner contributions | | 3 | 2 | 6 | Impact on individual projects is high. | Partner actions delayed. Agreed funding not received by SDC. Partnerships ending. | Separate accounting arrangements. Active liaison with partners on service arrangements Written partnership agreements. |
| External Funding Awards | £0.5m | 3 | 2 | 6 | Up to £400k Impact on individual projects is high | Time limited. | Exit strategies in place. |
| Changes in service demand | | 3 | 3 | 9 | Impacts will vary depending on service. | | Service planning in place Continue to lobby Government where changes are due to new Gov't requirements. |
| Interest Rates | £0.229m 13/14 budget | 2 | 4 | 8 | £143k per 0.5%. | Large cash variance from small rate changes. Reducing availability of suitable counter parties | Use of professional advisers |

Appendix I

| Issue | £ Scale | Likelihood 1 (low) – 5 (high) | Impact 1 (low) – 5 (high) | Total Score | Potential Annual Impact and Sensitivity Analysis | Risk Areas | Controls and Actions in place |
|------------------------------------|---|-------------------------------------|---------------------------------|----------------|--|--|---|
| Investments | £37m balance at November 2013 | 1 | 5 | 5 | | Financial institutions going into administration. | Investment strategy regularly reviewed by FRAC. |
| Asset base maintenance | £1.0m | 1 | 2 | 2 | Annual budget is based on 25% of assessed maintenance. | Unexpected problems occurring with financial implications. Reducing budget levels. | Reserve funds set aside. 10 year maintenance planning carried out. Policy of reducing asset liabilities wherever possible. |
| Capital Investment resources | £1.7m balance at March 2013 | 2 | 2 | 4 | Risks taken into account in the Capital Programme report. | Capital receipt levels modest. | External funding sought wherever possible. Capital Investment priorities in place. Property Review being pursued to secure asset sales. |
| Disposal of surplus assets | £0.8m budget in plan (14/15) | 2 | 2 | 4 | Risks taken into account in the Capital Programme and Asset Maintenance report. | Planning conflict. Resources required to bring sites forward. | Land Owner/Planning protocols in place. In-house property team. Planned Property Review disposal programme. |

Agenda Item 13

Appendix I

| Issue | £ Scale | Likelihood 1 (low) – 5 (high) | Impact 1 (low) – 5 (high) | Total Score | Potential Annual Impact and Sensitivity Analysis | Risk Areas | Controls and Actions in place |
|---|----------------------------|-------------------------------------|---------------------------------|----------------|---|--|--|
| Government Grant | £3.8m in 2013/14 | 5 | 4 | 20 | £38k per 1% change | Government continues to reduce grant. Impact of business rates retention policy. Only short term settlements provided. Austerity measures extended to 2017/18. | Adequate level of General Reserve held. |
| Council tax capping | £8.7m CTAX income in 13/14 | 4 | 3 | 12 | £87k per 1% capping reduction | Council tax freeze offers from Govt. Council tax increases limited to 2% Impact on council tax base from Local CTAX schemes. | Draft 10-year budget includes council tax increase assumptions for future years. |
| Future Service Changes by Government | | 4 | 4 | 16 | | Additional services without consequent resources, e.g. Maint. of trees on common land. Government directives on income charging e.g. Personal searches | Monitor proposals. Respond to consultation with local view. |
| Fuel cost increases for Direct Services | £0.5m | 5 | 2 | 10 | 10% increase would be £50k | Changes in global oil prices. | Continue to monitor fuel usage and efficiency. Vehicle replacement programme. |

Appendix I

| Issue | £ Scale | Likelihood 1 (low) - 5 (high) | Impact 1 (low) - 5 (high) | Total Score | Potential Annual Impact and Sensitivity Analysis | Risk Areas | Controls and Actions in place |
|------------------------------|---------|-------------------------------------|---------------------------------|----------------|---|--|---|
| Change to external framework | | 2 | 2 | 4 | | Abolition of Audit Commission, change of external auditors | Plan responses to new initiatives well in advance. Ensure Council organisation design can meet challenges. |

Agenda Item 13