

13 September 2018 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks  
Despatched: 12.09.18



# Cabinet

## Supplementary Agenda (1)

	Replacement Pages	Contact
5. Treasury Management Annual Report 2017/18	(Page 9)	Roy Parsons Tel: 01732 227204
6. Archbishops Palace, Otford	(Page 31)	Alex Dawson, Richard Wilson Tel: 01322 343129, Tel: 01732 227262
7. Financial Results 2018/19 - July 2018	(Page 127)	Alan Mitchell Tel: 01732227483
8. Financial Prospects and Budget Strategy 2019/20 and beyond	(Pages 165 - 166)	Adrian Rowbotham Tel: 01732 227153
9. Business Rates Retention Pilot 2019/20	(Page 183)	Adrian Rowbotham Tel: 01732 227153

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](mailto:democratic.services@sevenoaks.gov.uk).



## **Item 5 - Treasury Management Annual Report 2017/18**

The attached report was considered by the Finance Advisory Committee on 4 September 2018. The relevant Minute extract is below:

### Finance Advisory Committee - 4 September 2018 (Minute 18)

The Head of Finance presented a report which provided the review of investment and borrowing activity during 2017/18 as required by the Council's Financial Procedure Rules. The report outlined the strategy adopted during the year, showed the position of the investment and debt portfolios at the beginning and the end of the year and gave details of how the investment fund had performed in comparison with previous years and against various benchmarks.

The overall return on the Council's investments was above budget in 2017/18 by approximately £11,400 and the percentage return had exceeded the recognised benchmarks. The economic situation both globally and within the Eurozone remained volatile, and this would have consequences for the UK economy. Treasury management in the past financial year was conducted against this background with a cautious investment approach.

The Head of Finance advised that training for Members had been arranged for 7pm on Wednesday 14 November 2018 and an email with further detail would be sent out shortly.

### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the Treasury Management Annual Report for 2017/18 be approved.



## **Item 6 - Archbishops Palace Otford**

The attached report was considered by the Finance Advisory Committee on 4 September 2018. The relevant Minute extract is below:

### Finance Advisory Committee - 4 September 2018 (Minute 17)

The Chief Officer Environmental and Operational Services presented the report which provided the background to the Archbishop's Palace in Otford and recommended the granting of a lease to the Archbishop's Palace Conservation Trust to pursue their ambition to convert what remains of the North West corner tower and part of the northern gatehouse, into a self-sustaining centre for the dissemination of knowledge about the heritage of the building and area.

Granting a lease to the Trust would enable them the opportunity to develop and deliver their Business Plan and to secure necessary external funding required to achieve their vision and objectives, to create a self-sustaining Centre for educational, information and tourism use and preserving the valuable heritage asset. It would also remove the Council from future maintenance liability. However if, after a review, sufficient progress could not be made, the lease could be determined and responsibility revert back to the Council. If this was necessary the Council could then pursue the residential options outlined in the options appraisal report.

Members discussed the need for regular reviews not just one at five years, the Chairman advised that it was the intention to review regularly.

The Chairman exercised his discretion and allowed Cllr. Edwards-Winsor to address the Committee, and he explained his role within the Trust and advised that there was much local support for the project.

### Public Sector Equality Duty

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

The Chairman moved the recommendations contained within the report subject to the amendment to 'five yearly reviews' and it was

Resolved: That it be recommended to Cabinet that a 99 year lease, at one peppercorn, per annum, if demanded, be granted to the Archbishop's Palace Conservation Trust to allow the Trust to develop their objectives with five yearly reviews dated and inserted into the lease to allow progress to be considered by both parties and such other terms as agreed.



## **Item 7 - Financial Results 2018/19 - July 2018**

The attached report was considered by the Finance Advisory Committee on 4 September 2018. The relevant Minute extract is below:

### Finance Advisory Committee - 4 September 2018 (Minute 20)

The Head of Finance presented a report on the Council's financial results 2018/19 to the end of July 2018, which showed the year end position was currently forecast to be an unfavourable variance of £20,000, this represented just over 0.01% of the net service expenditure budget totalling £14,687,000.

It was currently forecast that the amount of Business Rates retained would exceed the budget by £250,000, it is assumed that this would be transferred to the Budget Stabilisation Reserve and is therefore not included in the £20,000 unfavourable variance above.

Some Members expressed concern with regard to staff retention figures. The Chief Finance Officer advised that the Scrutiny Committee were looking at this.

### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet to note the report and comments with regards to staff retention.





## **Item 8 - Financial Prospects and Budget Strategy 2019/20 and beyond**

The attached report was considered by the Finance Advisory Committee on 4 September 2018. The relevant Minute extract is below:

### Finance Advisory Committee - 4 September 2018 (Minute 21)

The Chief Finance Officer presented the first report for the 2019/20 budget setting process advising that it would be the ninth year of using the current Financial Planning Strategy that included the 10-year budget which had proved successful to date and placed the Council in a much stronger financial position than most other councils.

The report was intended to start the debate and the assumptions would be updated as more accurate information became available during the process. The main message within the report was that the Council was able to remain financially self-sufficient. The 10-year budget set out at Appendix B to the report, included no Revenue Support Grant (RSG) or National Homes Bonus (NHB) in any year as the Council continued to no longer be reliant on direct Government funding.

Any amounts that were received from these sources were placed into the Financial Plan Reserve which could be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy. Using the funding for these purposes would result in additional year on year income that was not impacted by Government decisions.

Members agreed the last 10-year budget in February and the changes that had been made since then were:

- Rolling 10-year budget on for one year and updating base figures.

No changes to assumptions had been made at this stage.

The changes resulted in a worse budget position at this stage of £475,000 over the 10-year period (or £47,500 pa). However, there was a surplus in 2017/18 of £856,000 which was transferred to the Budget Stabilisation Reserve which more than offsets this change.

Over the next couple of months the Cabinet Advisory Committees would be presented with their Service Dashboards and Service Change Impact Assessments (SCIAs) and a budget update report will then go to Cabinet in December to include their comments.

The 10-year budget approved in February included the need for £100,000 of new savings or additional income each year and Chief Officers were currently putting together a list of growth and savings items for 2019/20 which would be discussed with Portfolio Holders before being presented to the Advisory Committees. Officers were currently undertaking a review of the asset maintenance requirements for council owned properties and it was expected that this would result in a growth item, and future Council Tax

income levels would also be looked at taking into account the latest information including the Local Plan.

#### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that

- a) the ten-year financial planning approach and principles set out in the report be endorsed;
- b) the Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and savings options; and
- c) officers be requested to continue to review the assumptions as detailed within in the report and report back to Cabinet on 6 December 2018.

## **Item 9 - Business Rates Retention Pilot 2019/20**

The attached report was considered by the Finance Advisory Committee on 4 September 2018. The relevant Minute extract is below:

### Finance Advisory Committee - 5 September 2018 (Minute 22)

Members considered a report which advised that following the Council's participation in the Kent and Medway 100% Business Rates Retention Pilot scheme for 2018/19 following a successful bid The Ministry of Housing, Communities and Local Government (MHCLG) had invited local authorities to participate in a pilot of 75% Business Rates Retention in 2019/20 with a submission deadline of 25 September 2018.

A Business Rates Retention Pilot was expected to be financially beneficial to the district and county as a whole and discussions would continue prior to any submission being made. It was therefore recommended that authority be delegated to the Finance Portfolio Holder, in consultation with the Leader, to decide whether it would be beneficial for the council to participate in the 2019/20 pilot.

### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that authority be delegated to the Finance Portfolio Holder, in consultation with the Leader, to decide whether this council should participate if a Kent and Medway pilot for 2019/20 was proposed.

