



DISTRICT COUNCIL

Despatched: 02.01.13



CABINET

10 January 2013 at 7.00 pm
Conference Room, Argyle Road, Sevenoaks

AGENDA

Membership:

Chairman: Cllr. Fleming
Cllrs. Mrs. Bosley, Mrs. Bracken, Mrs. Clark, Mrs. Davison, Hogarth, Mrs. Hunter and
Ramsay

	<u>Pages</u>	<u>Contact</u>
Apologies for Absence		
1. Minutes Minutes of the meeting held on 6 th December 2012	(Pages 1 - 6)	
2. Declarations of interest		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council <i>None</i>		
5. Matters referred from the Performance and Governance Committee and/or Select Committees(Paragraph 5.20 of Part 4 (Executive) of the Constitution) <i>None</i>		
6. Draft Budget 2013/14 	(Pages 7 - 26)	Adrian Rowbotham Tel: 01732 227153
7. Calculation of Council Tax Base and other tax setting issues	(Pages 27 - 34)	Roy Parsons Tel: 01732 227204
8. Senior Management Restructure 	(Pages 35 - 48)	Pav Ramewal Tel: 01732 227298
9. Whiteoak Leisure Centre Asset Maintenance Consideration of Options	(Pages 49 - 84)	Lesley Bowles Tel: 01732 227335
10. Consideration of Exempt Information		

Resolved: That under the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, and the Freedom of Information Act 2000, the public be excluded from the meeting for the following item of business on the grounds that likely disclosure of exempt information is involved as defined by the relevant paragraph as respectively identified of Schedule 12(A) to the Local Government Act 1972:

<u>Agenda Item No.</u>	<u>Description</u>	<u>Head of Schedule 12(A) and Brief Description</u>
11	Whiteoak Leisure Centre Asset Maintenance Consideration of Options - Appendices D1, D2 and D3	3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

11. **Whiteoak Leisure Centre Asset Maintenance Consideration of Options - Appendix C**

(Pages 85 - 86)

Lesley Bowles
Tel: 01732
227335



Indicates a Key Decision



indicates a matter to be referred to Council

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)

CABINET

Minutes of the meeting of the held on 6 December 2012 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllrs. Mrs. Bosley, Mrs. Bracken, Mrs. Clark, Mrs. Davison, Hogarth,
Mrs. Hunter and Ramsay

Cllr. Davison was also present.

53. Minutes

Resolved: That the minutes of the Cabinet meeting held on 8th November be approved and signed as a correct record.

54. Declarations of interest

There were no declarations of interest.

55. Questions from Members (maximum 15 minutes)

There were no questions.

56. Matters referred from Council

There were no matters referred from Council.

57. Matters referred from the Performance and Governance Committee and/or Select Committees (Paragraph 5.20 of Part 4 (Executive) of the Constitution)

(a) 2013/14 Budget and Review of Service Plans

This item was considered under Minute 61.

(b) Property Review – Cobden Road Centre, Cobden Road, Sevenoaks

This item was considered under Minute 58.

(c) Treasury Management Update

This item was considered under Minute 60.

58. Property Review - Cobden Road Centre, Sevenoaks

Members considered a report recommending that the Cobden Road Centre in Sevenoaks be sold on the open market by auction. It was noted that the report had previously been considered by the Finance Advisory Group and Performance and Governance Committee.

The Professional Services Manager reported that a Planning Statement would be provided for the auction and the Statement would outline the conservation particulars. The next auction would close on 7th January 2013, the auction would take place on 4th February 2013 and the process should be completed by March 2013.

The Portfolio Holder for Finance and Value for Money reported that a local resident had attended the Finance Advisory Group meeting and had supported the proposals outlined.

Members thanked the Professional Services Manager for the work that he had undertaken in preparing for the sale of the property.

Resolved: That the Cobden Road Centre, Sevenoaks be declared surplus to the Council's requirements and sold on the open market by auction.

59. West Kent Cold Store Section 106 Agreement - Community Facilities

In January 2012, Cabinet approved the development of projects to be funded from Section 106 contributions associated with the West Kent Cold Store development. The four projects were selected following consultation with the local community in Dunton Green and Riverhead, the invitation to local organisations to apply for funding and the consideration by a Steering Group of District, Parish and County Members.

Members considered a report outlining the work that had been undertaken in developing the projects to date, setting out costs and timescales and seeking final approval for the projects.

The Head of Community Development introduced the report and outlined each of the four projects in detail. The Steering Group which included KCC Members, Local Members and Parish Councillors had been established and had been heavily involved in drawing up the summary of proposals outlined in the report.

Referring to Project 1 – Dunton Green Community Centre – the Chairman asked that the following amendment be made to condition 2:

2. That the Parish Council includes appropriate security measures to protect the *building and* outside equipment as part of the programme.

In considering Project 3 - The Heights, Riverhead and lighting for St Mary's Church - the Portfolio Holder for Finance and Value for Money suggested that discussions with KCC should take place to ensure that the new fountain would not be lost if any future improvements were made to the junction.

The Head of Community Development explained that the Project Worker (Project 4) would be employed within the Sevenoaks District Council Community Development Team and would be tasked with identifying the needs of the community in order to encourage any services that were needed into the area.

The Head of Community Development also highlighted that consideration had been given to library provision but it had not been possible to accommodate this. This could be

reviewed if a need was identified in the future and there was found to be spare capacity within the new community building.

Resolved: That, having considered the equality impacts set out in the report:

- (a) The developer contributions set out in the Section 106 Agreement with Berkley Homes be allocated as follows, subject to the amended conditions outlined in the report:

Dunton Green Parish Council: £1,000,000 towards the demolition of the existing pavilion, the provision of a community building and new and replacement outdoor facilities on the Dunton Green Recreation Ground site.

Dunton Green Village Hall Management Committee: £25,000 towards improvements to the hall kitchen and toilets.

Riverhead Parish Council: £59,000 towards environmental improvements at The Heights, Riverhead and to lighting at St Mary's Church.

Sevenoaks District Council: £150,894 towards the cost of community development, youth, advice and support work for the new community.

- (b) That the Portfolio Holder for Community Wellbeing and the Portfolio Holder for Housing and Balanced Communities be authorised to make minor amendments to the conditions set and the allocations of funds provided they do not substantially affect the purpose of the funding, including the allocation of any additional funding accruing from index linking or interest payments.

60. Treasury Management Update

The Portfolio Holder for Finance and Value for Money introduced a report giving details of recent developments in the financial markets and changes to credit ratings, fulfilling the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management. In addition to this, the report also included an update on the Council's Icelandic bank investments.

The Portfolio Holder for Finance and Value for Money reported that Investment returns continued to be generally low, however the Council had managed to obtain some better rates which meant that the investment income targets for the year were currently being exceeded.

Due to the down-grading of several banks ratings this year, there continued to be a lack of available investment opportunities within the limits of the Strategy. Therefore the following actions had been recommended:

- The wider use of Money Market Funds,
- When setting the investment strategy for 2013/14, consideration be given to increasing the counterparty limits for Lloyds Bank Group and Royal Bank of Scotland Group to £8m each; and
- That the possibility of widening the list of counterparties to include building societies be investigated by the Finance Advisory Group.

Members agreed that Officers and the Finance Advisory Group should explore widening the list of Counterparties to include Building Societies.

The Group Manager – Financial Services undertook to circulate a list of the Council's current investments at the conclusion of the meeting.

In response to a question regarding the Chancellor's recent Autumn Budget Statement, the Group Manager – Financial Services reported that the latest forecast for interest rates was now not predicting an increases until March 2015

Resolved: that:

- (a) The report be noted;
- (b) The use of Money Market Funds as outlined in paragraphs 21 to 29 of the report be increased;
- (c) When setting the investment strategy for 2013/14, consideration be given to increasing the counterparty limits for Lloyds Bank Group and Royal Bank of Scotland Group to £8 million each; and
- (d) The possibility of widening the list of counterparties to include building societies be investigated by the Finance Advisory Group.

61. Budget Update

The Portfolio Holder for Finance and Value for Money introduced a report setting out the progress made in preparing the 2013/14 budget and providing Members with an update on key financial information. The Cabinet would make its final recommendation on the budget at its meeting on 7th February 2013, after taking into account any updated information available at that date.

The Portfolio Holder for Finance and Value for Money reported that a list of growth and savings items resulting in net growth of £160,000 had been presented to the Select Committees who recommend that these items be included in the budget. Uncertainty over two major funding streams remained. Provisional Government Support figures were not expected until 19th December and the Council would need to decide on the level of Council Tax for 2013/14 following the Government's announcement of another freeze grant being offered and a cap being set at 2%.

Due to these uncertainties, a further report will be presented to Cabinet in January which would hopefully contain a more complete picture including whether further savings would be required.

The Group Manager – Financial Services highlighted that whilst the Government settlement was not expected until 19th December, this date was by no means confirmed and there could be further delays in the process. There had been no further information as to what the reduction in funding was likely to be. Members noted that there was a statutory requirement for the budget to be set in February 2013.

In regard to Council Tax, from a financial perspective, the Group Manager – Financial Services stressed that it would be significantly advantageous if the Council Tax for 2013/14 was set close to the 2% cap instead of taking the grant being offered if it was frozen.

For the report to Cabinet in January 2013, Officers would update the 10-year budget with the settlement figure and any Council Tax decision as well as revisiting the other assumptions with any additional information that had become available. If a budget gap remained, difficult savings decisions would need to be made.

The Group Manager – Financial Services had sent an email to all Town and Parish Councils the previous week informing them of the effect of the Government changing their decision as to how the Council Tax Base was calculated for these authorities. The Government would be giving Sevenoaks District Council some funding to help address the effect on these councils which would be allocated proportionately based on the impact of the change to Council Tax Support.

The Chairman suggested that, as the Government grant became more marginal, Sevenoaks District Council would need to manoeuvre into a self-sustaining position in order to become less reliant on any future grant.

A Member suggested that the savings assumptions around partnership working be reviewed to ensure that they were realistic assumptions. Whilst acknowledging the point that was being made, the Chairman stressed that assumptions were constantly tested.

Members stressed the need to consider the £160,000 savings that the Council would need to make and the Chairman tasked each Portfolio Holder to have discussions around the options available before the Cabinet meeting in January.

Resolved: That

- (a) The comments and recommendations of the Select Committees as set out at Appendix E be noted;
- (b) Officers and Portfolio Holders be requested to investigate further proposed solutions for the £160,000 budget shortfall.

THE MEETING WAS CONCLUDED AT 7.47 PM

CHAIRMAN

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DRAFT BUDGET 2013/14

Cabinet – 10 January 2013

Report of the: Chief Executive Designate

Status: For Consideration

Key Decision: No

Executive Summary: This report sets out progress made in preparing the 2013/14 budget and updates Members on key financial information recently received.

This report shows that no further savings than those already set out in the four year savings plan are required to balance the budget for 2013/14, albeit this budget recognises some risks including income.

The overall emphasis is on building on the strong framework provided by the 10-year budget, whilst taking into account any new financial burdens and changes in the economy that have an impact on budget assumptions.

The Cabinet will make its final recommendation on the budget at its meeting on 7 February 2013, after taking into account any updated information available at that date.

This report supports the Key Aim of effective management of Council resources.

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager – Financial Services – Adrian Rowbotham

Recommendation to Cabinet: Members give consideration to the draft balanced budget and provide officers with any further instructions.

Background

- 1 At the Cabinet meeting on 13 September 2012, Members considered a report setting out the Council's financial prospects for 2013/14 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 2013/14 and beyond.
- 2 As part of the budget process officers put forward their Service Plan Summaries to Select Committees in October and November, which set out their objectives for the coming year. Changes to the four year savings plan together with new growth and savings items were also identified by officers.

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- 3 At the Cabinet meeting on 6 December 2012, Members received a report setting out progress made in preparing the 2013/14 budget and considered the comments and recommendations of the Select Committees.

Introduction

- 4 This report sets out the current position for the 2013/14 budget and updates Members on key financial information received on 19 December 2012 through the Local Government Finance Settlement. Included as appendices to this report are:
- Appendix A – 10 year budget
 - Appendix B – Growth and savings agreed in previous years updated with changes presented to Cabinet on 6 December 2012
 - Appendix C – Risk analysis
- 5 The Cabinet will make its final recommendation on the 2013/14 budget at its meeting on 7 February 2013, after taking account of the latest information available at that date.

Draft Budget 2013/14

- 6 Appendix A to this report sets out the latest 10 year budget. Members will be aware that the approved 2012/13 net budget is £13.443m. The draft budget for 2013/14 for Members' consideration is currently £13.768m based on a number of key assumptions.
- 7 Members are asked to note that the council tax assumption for 2013/14 has been reduced. Government has announced that no rises in council tax levels above 2% will be permissible without a local referendum. Due to the costs associated with this and recognition of the Council's continued commitment to minimise council tax increases the assumption in the latest 10 year budget has been reduced from 3% to 1.99%. Further information is set out from paragraph 17 below.

Updates to the Financial Prospects Report

- 8 The Financial Prospects report considered in September raised a number of financial risk areas for the Council. These are updated below and Members will be aware that this is a rapidly evolving situation, and the Council needs to be prepared to act flexibly in response to changes in economic conditions.
- 9 In order to inform and test budget assumptions, information has been gathered from a variety of sources, including other Kent authorities, Treasury advisers (Sector), Government forecasts and guidance and Heads of Service expertise. In addition, Finance Advisory Group will be reviewing the assumptions as part of the budget process at its meeting on 23 January 2013.
- 10 The 10 year budget at Appendix A has been updated to take account of the changes as set out below. Appendix C quantifies significant financial risks.

Income

- 11 **Government Support.** The basis for allocating Government Support from 2013/14 is changing to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received, however tariffs and top ups are applied to ensure that initially each local authority is not significantly affected by this change.
- 12 The Council had assumed that Government support would reduce by 9% in 2013/14 and 10% in 2014/15. However, the fundamental changes being made to the local government funding mechanism has greatly increased the complexity and uncertainty for local authorities to assess their likely financial settlement than in previous years. Therefore projections and forecasts were being made with limited data and in an environment where assumptions were constantly changing as Government refined their approach to the business rates retention system.
- 13 The Government announced provisional figures for 2013/14 and 2014/15 on 19 December 2013. The provisional figures show that the Council is faced with a reduction in funding of 14.2% between 2012/13 and 2013/14 and a reduction of 6.5% between 2013/14 and 2014/15. To put this in context Local Government Futures initial analysis shows that the average reduction for shire districts is 6.8% in 2013/14.
- 14 The table below demonstrates the impact on the 10 year budget in cash terms:

Year	Assumption £000	Actual Settlement £000	Variance £000
2013/14	3,998	3,788	- 210
2014/15	3,598	3,542	- 56

- 15 Since the start of the Spending Review period in 2010/11 the Council will have seen a reduction in its Government grant of 40.3% in 2013/14 and by 44.2% in 2014/15. Per head of population, the Council's grant funding will have reduced from £55.64 in 2010/11 to £30.83 at the end of 2014/15, the lowest level in Kent.
- 16 **New Homes Bonus.** The New Homes Bonus for 2013/14 is higher than previously estimated. The 10-year budget has been updated to take this into account for the confirmed period of the New Homes Bonus scheme which ends in 2016/17.
- 17 **Council Tax.** Government confirmed in the Local Government Finance Settlement that council tax increases would trigger a local referendum if they exceed 2%, or if for District Council's that currently set a council tax that ranks in the lowest quartile nationally a rise of £5. Sevenoaks District Council is above the lowest quartile point of an estimated £143 per annum. Due to the costs associated with referendums and recognising the Council's continued commitment to minimise council tax increases the assumption in the latest 10 year budget has been reduced from 3% to 1.99%.

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- 18 The Government has also announced that if a Council freezes its Council Tax in 2013/14 they will receive a 1% grant for two years.
- 19 The table below sets out the budget implications of the most practical options for Members and demonstrates the financial impact from the initial 10 year budget assumption of a 3% increase in 2013/14.

Options	Reduction in income from 3% assumption in 2013/14 £000	Reduction in income from 3% assumption over 10 year budget £000
Council tax increase of 1.99%	86	1,012
Freeze council tax and accept Govt grant	170	2,863

- 20 Members should note that the 10 year budget continues to assume a 3% increase in council tax in 2014/15 and 4% in all future years. The Government are determined to constrain council tax increases for at least the remainder of this Parliament and potentially to the end of 2017/18 when austerity measures are programmed to cease.
- 21 The setting of council tax is clearly a political decision for Members. However, from a practical financial perspective it should be noted that to accept the government grant and freeze the council tax will cost the Council almost £2 million over 10 years and will most likely lead to the reduction in services. This will be further compounded by the review of financial assumptions due to take place in Spring 2013, which is likely to show significant further pressure on our budget through reducing income in a number of our service areas and the need to revise the Council's 4% council tax assumption from 2015/16.
- 22 **Council Tax support grant.** The Finance Settlement confirmed total funding for the local support for council tax scheme of £1.008m for 2013/14. This is a slight reduction on initial Government estimates and Members should note that £274k will be passed on Town and Parish Councils. The remaining £734k will be available to the Council to meet the costs of its local council tax support scheme.
- 23 **Government Support to be passed on to Town and Parish Councils.** As set out above the District Council received a grant of £1.008m to support its local council tax support scheme which includes an amount for Town and Parish Councils. The total value of the grant for Town and Parishes has been announced as £274k in 2013/14. The Council will pass this amount on in full and has informed Town and Parish Council of this intent. However it should be noted that the monies provided by Government do not fully compensate Town and Parish Councils for the change in policy. In 2013/14 the average shortfall is approximately 11%.
- 24 The Government has indicated that, in future years, the council tax support funding will be included in the District Council's overall grant settlement. If this is the case Town and Parish Councils have been made aware that if future years'

grant settlements are lower, this will affect the level of grant that the District Council is able to pass on to Town and Parish councils.

- 25 **Interest receipts.** Projected investment income is based on returns being 0.3% higher than Sector's Bank Rate forecast. The latest assumption is for the following returns: 0.8% in 2013/14 and 2014/15, 1.2% in 2015/16, 1.3% in later years.
- 26 Assumptions remain unchanged in relation to the following income areas:
- Variable income sources;
 - External funding;
 - Discretionary charging; and
 - Partnership working

Expenditure

- 27 There are no changes to assumptions on key expenditure items from the financial prospects report. These include:
- Pay costs;
 - Non-pay costs; and
 - Unavoidable service pressures.

Current Budget Gap and Savings Proposals

- 28 Despite greater than assumed reductions in government grant, a previously reported budget shortfall of £160,000 and a council tax increase limited to 2%, the 10 year budget presented to Members for their consideration is balanced for 2013/14 and over the 10 year budget period. This has been achieved through a sensible use of the New Homes Bonus, effective use of the budget stabilisation reserve and the continue effort of Members and Officers to identify and deliver savings and efficiencies.
- 29 The delivery of a balanced budget remains subject to growth and savings items included in Appendix B being achieved in full, and any further adjustments to key sources of income or expenditure before the budget is finalised in February. Members may wish to note the risk items outlined at Appendix C to this report.

Collection Fund and Tax base

- 30 The 2013/14 tax base and an estimate of the Collection Fund balance as at 1 December 2012 will be presented to Members as a separate item on the agenda of this meeting.

2012/13 Outturn

- 31 Supported by the Finance Advisory Group, tight financial monitoring and control has been in place for a number of years and again for 2012/13. Given the constraints being placed on all budgets, and the savings planned for 2013/14 and future years, it is essential that the Council continues to operate on this basis.

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- 32 The latest monitoring figures indicate a small favourable variance at the year end. However, it should be recognised that this has been a challenging budget year for a number of reasons, including reduced income streams and the continued impact of the recession. In spite of this, officers, with the support of the Finance Advisory Group, are continuing to ensure the year-end outturn remains within budget.
- 33 Key risk items in the current year include:
- Development Control income (£140,000 forecast shortfall in 2012/13),
 - Building Control income (£129,000),
 - Car Parking income (£100,000),
 - Land Charges income (£35,000).
- 34 Based on these risks it is likely that unless additional income or savings are identified the budget gap will increase by the time Members come to set the budget.

Adequacy of Reserves

- 35 Ensuring the adequacy and sustainability of the Council's reserves continues to be a key part of the budget process. Individual balances will be reviewed and reported to Cabinet on 7 February.

Key dates for the remainder of the 2013/14 budget setting process

- 36 At its meeting on 7 February the Cabinet will make its recommendations to Council, for decision at the Budget Council meeting on 19 February.

Key Implications

Financial

- 37 All financial implications are covered elsewhere in this report.

Community Impact and Outcomes

- 38 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.

Legal, Human Rights etc.

- 39 There are no legal or human rights implications.

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	Equalities assessments have been completed for all of the Service Change Impact Assessments (SCIAs).
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?		

Conclusions

- 40 The Council continues to be faced with a climate of reducing income and increasing demand for a number of its services. By continuing to adopt the 10-year budget approach, these pressures can be predicted and more importantly, the Council will be better placed to anticipate and react to such events. This approach also allows the Council more stability and sustainability in delivering its services and dealing with its finances.
- 41 Continuing to deliver the 10 year budget will be a major challenge for a Council that already provides value for money services to a high standard. In making budget proposals, Members have considered equality impacts, the impact on service quality, residents and staff well-being, to ensure that these proposals lead to an achievable Financial Plan that supports the Council’s aspirations for customer focussed services.
- 42 The future financial prospects for the public sector are increasingly difficult. However, this budget will ensure the Council is in a financially sustainable position.

Risk Assessment Statement

- 43 The budget risk analysis is attached at Appendix C to this report. The Finance Advisory Group will review these risks as part of the budget process at its meeting on 23 January 2013.
- 44 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

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which the Council operates and to meet the expectations of both Government and the public on the quality of service demanded from this Council.

- 45 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.
- 46 The Council has in place a number of specific reserves and provisions to address identified risks.

Appendices

Appendix A – 10 year budget

Appendix B – Growth and savings agreed in previous years updated with changes presented to Cabinet on 6 December 2012

Appendix C – Risk analysis

Background Papers:

Report to Cabinet 6 December 2012 – Item 9 – Draft Budget 2013/14

Report to Environment Select Committee 23 October 2012, Social Affairs Select Committee 30 October 2012 and Services Select Committee 1 November 2012 – 2013/14 Budget and Review of Service Plans

Report to Cabinet 13 September 2012 – Item 6 – Financial Prospects & Budget Strategy 2012/13 and Beyond

Contact Officer(s):

Adrian Rowbotham Ext.7153

Helen Martin Ext.7483

Dr. Pav Ramewal
Chief Executive Designate

Ten Year Budget - Revenue

	Budget 2012/13	Plan 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	Cumulative
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure												
Net Service Expenditure c/f	13,771	13,443	13,768	14,822	15,270	15,691	16,095	16,357	16,729	17,094	17,433	
Inflation	468	621	633	565	564	566	563	558	552	339	338	
Superannuation Fund deficit: actuarial increase	0	0	520	0	0	0	0	0	0	0	0	
Net savings (approved in previous years)	(796)	(436)	(119)	(117)	(143)	(162)	(301)	(186)	(187)	0	0	
New growth and savings	0	140	20	0	0	0	0	0	0	0	0	
Net Service Expenditure b/f	13,443	13,768	14,822	15,270	15,691	16,095	16,357	16,729	17,094	17,433	17,771	
Financing Sources												
Government Support (1)	(4,646)	(3,788)	(3,542)	(3,412)	(3,338)	(3,307)	(3,406)	(3,508)	(3,613)	(3,721)	(3,833)	
New Homes Bonus (less Big Community Fund)		(856)	(1,156)	(1,456)	(1,756)	0	0	0	0	0	0	
Govt Support - to be passed on to Towns/Parishes		(274)	(282)	(293)	(305)	(317)	(330)	(343)	(357)	(371)	(386)	
Govt Support - passed on to Towns/Parishes		274	282	293	305	317	330	343	357	371	386	
Council Tax	(9,251)	(8,729)	(8,991)	(9,351)	(9,725)	(10,114)	(10,519)	(10,940)	(11,378)	(11,833)	(12,306)	
Council Tax Support grant		(734)	(756)	(786)	(769)	(762)	(785)	(809)	(833)	(858)	(884)	
Interest Receipts	(173)	(229)	(234)	(356)	(375)	(351)	(317)	(286)	(260)	(239)	(221)	
Contributions to Reserves	330	699	330	330	330	330	330	330	330	330	408	
Contributions from Reserves	(536)	(795)	(525)	(522)	(519)	(517)	(513)	(512)	(509)	(506)	0	
Total Financing	(14,276)	(14,432)	(14,874)	(15,553)	(16,152)	(14,721)	(15,210)	(15,725)	(16,263)	(16,827)	(16,836)	
Budget Gap (surplus)/deficit	(833)	(664)	(52)	(283)	(461)	1,374	1,147	1,004	831	606	935	3,604
Contribution to/(from) Stabilisation Reserve	833	664	52	283	461	(1,374)	(1,147)	(1,004)	(831)	(606)	(935)	(3,604)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0	0

Remaining balance / (shortfall) in Budget Stabilisation reserve:

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Assumptions

Government Support: -14% in 13/14, -7% in 14/15, -4% in 15/16, -2% in 16/17, -1% in 17/18, +3% later years
 Council Tax: 1.99% in 13/14, 3% in 14/15, 4% later years
 Interest Receipts: 0.8% in 13/14 and 14/15, 1.2% in 15/16, 1.3% later years (based on Sector Bank Rate forecast + 0.3%)
 Pay award: 0% in 12/13, 1% in 13/14, 1.5% in 14/15, 2% later years
 Increments: 1.5% in all years
 Other costs: 2.5% in 12/13, 3.5% in 13/14, 3% in 14/15 1.75% later years
 Income: 3.5% in all years

Note 1 Government Support includes Council Tax Freeze Grants

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Growth and Savings Agreed in Previous Years updated with changes presented

SCIA			2011/12	2012/13	2013/14	2014/15
Year	No.		£000	£000	£000	£000
		Community Development				
2008/09	18	Community Development - Replace core salaries with external funding and reduce health budget 2011/12	(2)			
2008/09	20	Community Safety - Reduce Community Safety budget - crime reduction	(2)			
2008/09	21	Reduce Youth budget - SNAP, drugs/alcohol	(13)			
2008/09	22	Reduce grants budget	(3)			
2010/11	24	STAG agreement expiry			(25)	(75)
2011/12	1	Arts Development	(5)			
2011/12	2	Community Safety - external funding at risk	56			
2011/12	3	Grants	(25)	(20)		
2011/12	4	Health - reduced activity	(17)			
2011/12	5	Leisure - Asset Maintenance	(70)	(70)		
2011/12	5	Leisure - Asset Maintenance (amended Cabinet 06/12/12)			70	
2011/12	6	Leisure - reduced Management Fee	(80)	(80)		
2011/12	7	Sustainability - delete remaining cost	(4)			
2011/12	8	Tourism - reduced activity		(30)		
2011/12	9	West Kent Partnership	(2)			
2011/12	10	Youth - reduce activity, leave only statutory duty	(20)	(60)		
2011/12	11	Youth - 8-12's project		(23)		
2011/12	61	Community Development share of corporate targets	(3)	(2)		
		Community Development Sub Total	(190)	(285)	45	(75)
		Development Services				
2008/09	30	Development Control - staffing reduction	(41)			
2010/11	1	Development Control - various	(20)			
2010/11	33	Planning Policy - reverse one off income 2010/11*	22			
2011/12	12a	Development Control - Conservation - deletion of consultants budget	(11)			
2011/12	12b	Development Control - Appeals - reduced use of external legal resources	(10)			
2011/12	12c	Development Control - Appeals - reduced use of consultants	(6)			
2011/12	13	Development Control - review processes and structure to reduce costs	(131)			
2011/12	14a	Development Control - Planning and Pre-Application Fees - extra income		(100)		
2011/12	14b	Development Control - S106 Monitoring - charge developers to monitor	(50)			
2011/12	14b	Development Control - S106 Monitoring - charge developers to monitor (amended Cabinet 06/12/12)			25	
2011/12	15	LDF preparation - reduce annual contribution to reserve based on cost reduction (reversing short-term saving made in 11/12)	(70)		70	
2011/12	15	LDF preparation - reduce annual contribution to reserve based on cost reduction (reversing short-term saving made in 11/12) (amended Cabinet 06/12/12)			(35)	
2011/12	61	Development Services share of corporate targets	(8)	(14)		
		Development Services Sub Total	(325)	(114)	60	0

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SCIA			2011/12	2012/13	2013/14	2014/15
Year	No.		£000	£000	£000	£000
		Environmental and Operational				
2010/11	2	Building Control - review of team	(5)			
2010/11	8	Licensing - Enlarge Partnership	(15)	(15)		
2010/11	36	Building Control - reverse one off income home condition survey*	15			
2010/11	66	CCTV	(45)			
2011/12	16	Building Control - joint working and cost savings from team review	(74)			
2011/12	17	CCTV - Partnership Work/Other arrangement (with Contact Centre)				(50)
2011/12	17	CCTV - Partnership Work/Other arrangement (with Contact Centre) (amended Cabinet 06/12/12)				50
2011/12	18	Direct Services - review operations and reduce costs	(88)	(16)		
2011/12	20	Environmental Health - shared working	(150)			
2011/12	21	Minibuses - Deletion of service	(333)			
2011/12	22a	Parking - joint working	(26)			
2011/12	22b	Parking - reduce administrative costs		(13)	(14)	
2011/12	22c	Civil Enforcement - review structure	(34)			
2011/12	22d	Hollybush Outdoor Bowls Centre - transfer ownership to private club	(20)			
2011/12	22e	Further transfer of land playgrounds etc to Town/Parish Councils	(15)			
2011/12	23	Sencio Leisure parking fees reimbursement at Sevenoaks - cancel	(26)			
2011/12	24	Parking - additional income	(43)			
2011/12	25	On-street Parking - additional income	(35)			
2011/12	26	Direct Services - Public Conveniences	(62)			
2011/12	27	Direct Services - Street Cleansing reduction	(124)			
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
2011/12		Direct Services - Pest Control - review of service and removal of subsidy	(16)			
2011/12	61	Env & Ops share of corporate targets	(24)	(91)		
2013/14	1	Building Control - reduced income			50	
2013/14	9	Environmental Health partnership - further savings				(30)
		Environmental & Operational Services Sub Total	(1,151)	(135)	36	1
		Finance and HR				
2010/11	15	Concessionary Fares - Govt funding reduction	200			
2010/11	16	Members' Allowances - Phasing of new scheme	45	45		
2010/11	22	Internal Audit - reverse extra income DBC*	10			
2010/11	41	Concessionary Fares - reverse reduced costs*	60			
2011/12	30a	Finance - re-structure and review processes	(40)			
2011/12	30b	Finance/Direct Services - Rationalisation of financial systems and administration over sites		(50)		
2011/12	31	Human Resources - partnership working			(20)	
2011/12	31	Human Resources - partnership working (amended Cabinet 06/12/12)			20	
2011/12	32	Secretariat - review across council with view to reducing with senior management	(41)			
2011/12	33	Members' Allowances - next phased increase not implemented	(45)			
2011/12	37	Revenues & Benefits - joint working savings above target	(50)			
2011/12	38	Revenues and Benefits - Partnership - further efficiencies target (£60k split 50:50)			(30)	
2011/12	39	Civic Expenditure -delete budget except Chair/Vice Allowance	(68)			
2011/12	40	Lease Cars - cease scheme administration	(10)	(10)	(20)	
2011/12	41	Training Budget - reduce	(50)			
2011/12	42	Admin Support - reduce	(28)			
2011/12	61	Finance & HR share of corporate targets	(15)	(22)		
2012/13	1	Benefits - reduction in Admin grant		40		
2012/13	2	Benefits - contribution from Housing Benefits Subsidy Reserve		(40)		
2012/13	3	Members' Allowances - provision for Members IT allowance		6		
2012/13	5	Members' Allowances - underspend		(6)		
		Finance & HR Sub Total	(32)	(37)	(50)	0

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SCIA			2011/12	2012/13	2013/14	2014/15
Year	No.		£000	£000	£000	£000
		Housing and Communication				
2010/11	47	Homeless - reverse one off rent in advance*	10			
2010/11	47	Homeless - reverse one off deposit bonds*	10			
2010/11	50	Housing initiatives - reverse one off support of under 18s*	15			
2010/11	51	Gypsy site - Support -Hever Rd	7			
2010/11	56	Communications Officer - temporary cover by apprentice (reversal of short-term saving)		19		
2011/12	43	Housing Policy - Climate Change	(23)			
2011/12	44	Social Housing - West Kent Housing Contract Saving		(30)		
2011/12	45	Merge Private Sector and Social Housing	(55)			
2011/12	46	Disabled Facilities Grant reduction	(50)			
2011/12	47	Social Housing - Joint assessment referrals - stop contribution		(8)		
2011/12	58	Review of Policy, Performance and Communications functions - part	(35)			
2011/12	58	Policy, Performance and Communications - review of functions		(50)		
2011/12	61	Housing share of corporate targets	(5)	(4)		
		Housing & Communication Sub Total	(126)	(73)	0	0
		IT and Facilities Management				
2011/12	29	Contact Centre - shared services or reduction in service		(40)		
2011/12	48	Internet provision - reduce charges	(40)			
2011/12	49	Information Systems and IT Support - review staffing resources	(30)		(20)	(60)
2011/12	50	IT Support - reduce general costs	(41)			
2011/12	51	IT - Agresso and IDOX - reduce support costs	(23)	(50)		
2011/12	52	Facilities Management - staffing - review	(45)	(30)		
2011/12	53	FM - window cleaning, hand dryers, building cleaning, microfilming	(15)			
2011/12	53	FM - window cleaning, hand dryers, building cleaning, microfilming	(10)			
2011/12	61	IT & FM share of corporate targets	(7)	(7)		
		IT & FM Sub Total	(211)	(127)	(20)	(60)
		Legal and Democratic Services				
2008/09	17	Democratic Services - reorganise to reduce service/costs	(17)			
2008/09	62	Policy and Perf - review of team tasks	(35)			
2010/11	21	Equalities - Tunbridge Wells BC contract ends		(15)		
2011/12	34	Central offices target savings	(5)			
2011/12	35	Property - review processes and restructure team	(75)		(75)	
2011/12	35	Property - review processes and restructure team (amended Cabinet 06/12/12)			35	
2011/12	36	Property - income from Tandridge	(13)			
2011/12	54	Legal Services - Partnership Working	(25)			
2011/12	55	Democratic Services Manager - Partnership Working	(20)			
2011/12	56	Land Charges income loss (personal searches)	22			
2011/12	57	Legal Services - additional income (S106)	(30)			
2011/12	61	Legal & Democratic share of corporate targets	(5)	(10)		
2013/14	3	Planning - Legal/Barrister fees			20	
2013/14	4	Land Charges - reduced income			40	
2013/14	5	Audit fees			(40)	
2013/14	6	Argyle Road rents - KCC/MOAT			(20)	
2013/14	7	Argyle Road rents - Police			(15)	

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SCIA			2011/12	2012/13	2013/14	2014/15
Year	No.		£000	£000	£000	£000
		Legal & Democratic Services Sub Total	(203)	(25)	(55)	0
		Corporate				
2010/11	1	Review of senior management - part	(75)			
2010/11	58	Partnership working - corporate target	(200)			
2011/12	59	Review of senior management or joint management			(302)	
2011/12		Market supplements - continuation of phased removal	(100)			
2011/12	62,63	Staff terms and conditions - savings reprofiled as agreed by Council 18/10/11				35
2013/14	8	Market related supplements - reduction			(10)	
		Corporate Sub Total	(375)	0	(312)	35
		Total	(2,613)	(796)	(296)	(99)

= changes agreed by Select Committees and Cabinet (October/November)

Risk Factors 2013/14

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 assumption = 1%	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. Formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement.
Pensions Funding	£23m deficit	1	4	4	1% change in employers contribs = £105k. Revaluation to take effect from 14/15	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.

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
- Land Charges	£0.2m	4	1	4	20% reduction would be £37k.	Low activity levels in the housing market. National legal action now underway in relation to Personal Search companies recouping monies expended under the previous legislation.	A provision of £34k is held for the national legal action. Continue to monitor.
- Development Control	£0.7m	3	3	9	20% reduction would be £140k.	Low activity levels in the housing market and general economic conditions.	Current year income is below target. Continue to monitor.
- Building Control	£0.5m	4	3	12	20% reduction would be £100k	Low activity levels in the housing market and general economic conditions.	Current year income is below target. Continue to monitor.
- Car Parks	£2.1m	2	4	8	20% reduction would be £421k	General economic conditions	Current year income is below target. Continue to monitor.
- On-Street Parking	£0.7m	3	3	9	20% reduction would be £130k	General economic conditions. Reverts to KCC control	Continue to monitor and review.

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
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. 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	£0.173m 12/13 budget	2	4	8	£85k per 0.5%.	Large cash variance from small rate changes. Reducing availability of suitable counter parties	Use of professional advisers
Investments	£36m balance at March 2011	1	5	5		Financial institutions going into administration.	Investment strategy regularly reviewed by FAG and P&G Cttee.

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
Asset base maintenance	£1.0m	1	1	1	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	£0.7m balance at March 2012	2	2	4	Risks taken into account in the Capital Programme report.	Capital receipt levels low.	External funding sought wherever possible. Capital Investment priorities in place. Property Review being pursued to secure asset sales.
Disposal of surplus assets	£1.7m budget in plan (13/14)	2	2	4	Risks taken into account in the Capital Programme and Asset Maintenance report.	Planning conflict. Resources required to bring sites forward.	Land Owner/Planning protocols in place. In-house property team. Planned Property Review disposal programme.
Government Grant	£4.6m in 2012/13	5	4	20	£46k per 1% change	Government continues to reduce grant. Impact of business rates retention policy. Only 1 year settlement in 2015/16. Austerity measures extended to 2017/18.	Adequate level of General Reserve held.

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
Council tax capping	£9.3m CTAX income in 12/13	4	3	12	£93k 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.	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.
Changes 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.

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CALCULATION OF COUNCIL TAX BASE AND OTHER TAX SETTING ISSUES

Cabinet – 10 January 2013

Report of the: Deputy Chief Executive & Director of Corporate Resources

Status: For Decision

Also considered by: Council – 19 February 2013

Key Decision: No

Executive Summary:

This report sets out details of the calculation of the District’s tax base for council tax setting purposes. These figures are used to determine tax rates for each of the council tax bands once the Council’s budget requirement is known. The report also advises Members of the timetable for setting the 2013/14 council tax.

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

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager – Financial Services - Mr Adrian Rowbotham

Recommendation: It be RESOLVED that:

- (a) The report of the Deputy Chief Executive & Director of Corporate Resources for the calculation of the Council’s tax base for the year 2013/14 be approved;
- (b) pursuant to the report of the Deputy Chief Executive & Director of Corporate Resources and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2013/14 shall be 47,052.88;
- (c) pursuant to the report of the Deputy Chief Executive & Director of Corporate Resources and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2013/14 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,342.51
Brasted	729.63

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Chevening	1,427.85
Chiddingstone	570.29
Cowden	398.28
Crockenhill	623.31
Dunton Green	806.71
Edenbridge	3,320.50
Eynsford	893.09
Farningham	594.73
Fawkham	269.51
Halstead	713.52
Hartley	2,436.35
Hever	584.92
Hextable	1,608.47
Horton Kirby & South Darent	1,239.75
Kemsing	1,773.07
Knockholt	601.93
Leigh	778.76
Otford	1,647.13
Penshurst	798.88
Riverhead	1,200.57
Seal	1,146.50
Sevenoaks Town	8,890.62
Sevenoaks Weald	601.48
Shoreham	958.50
Sundridge	887.81
Swanley	5,103.66
Westerham	1,892.17
West Kingsdown	2,212.39

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

Reason for recommendations: As part of the tax setting process for 2013/14, the Council needs to formally approve the tax base at individual town and parish level as well as for the District as a whole.

Introduction

- 1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992, made under powers of the Local Government Finance Act 1992, specify formulae for calculating the council tax base which must be set between 1 December and 31 January.
- 2 The council tax base is a measure of the number of dwellings to which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating a billing authority's and other precepting authorities' band D council tax.
- 3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the Council's estimated collection rate for the year.
- 4 The Council is required to calculate a tax base figure for the Department for Communities & Local Government (DCLG) for Revenue Support Grant (RSG) purposes. This is based on the valuation list as at 10th September 2012 and occupancy information at 1st October 2012. The tax base for tax setting purposes is based on information available in December 2012. In addition, other factors may be taken into account to reflect likely changes to the tax base during 2013/14. These factors include:-
 - An allowance for changes in the amount of disabled relief
 - An allowance for changes in the number of exempt properties
 - An estimate of the number of new properties liable to council tax
 - An estimate of the number of properties ceasing to be liable to council tax
 - An allowance for changes in the number of single person discounts
 - An allowance for the effect of appeals by taxpayers on the banding of their properties
- 5 It has always been the practice to assume that these items will be self-balancing and hence no adjustment to the overall tax base was made other than the usual allowance for non-collection. Over the last few years the tax base has been rising due to new properties being built. However, the rate of increase is not significant enough to warrant a change from the self-balancing assumption.

Changes resulting from the Local Government Finance Bill

- 6 The Government's response to the consultation on localising council tax support recognised that the proposed approach to implementing local reduction schemes would have the effect of reducing the council tax base.
- 7 It is intended that amendments to the council tax base regulations will require billing authorities to calculate the council tax base taking into account the reductions to be offered under local council tax reduction schemes.

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- 8 Under the existing council tax benefit system, the council tax base is unaffected by the amount of benefit granted, because the billing authority receives reimbursement by way of benefit subsidy.
- 9 However, under the new locally determined council tax reduction schemes, the council tax base will be adjusted where dwellings are in receipt of a reduction awarded under the local scheme. It is for the billing authority to estimate the impact in its area based upon the local scheme it has adopted.
- 10 To arrive at the number of dwellings to be discounted from the tax base as a result of the local council tax reduction scheme, the billing authority needs to estimate the total amount of reductions granted in each band and divide that figure by the estimated council tax bill for that band.
- 11 For example, if the total cash value of reductions for band D is estimated to be £27,000 and the band D council tax bill is £1,350, the estimated number of dwellings to be discounted is 20. This process is repeated for each of the other bands as well as at town/parish level.
- 12 Changes have also been made to council tax discounts and exemptions in respect of second homes and certain empty properties. The Government's proposals are to allow the full council tax to be charged on second homes and to allow the Council to set its own level of discounts and time periods for some types of empty property. In addition, there is a power to levy an 'empty homes premium' on properties that have been empty for over two years.

Detailed Tax Base Calculations

- 13 The previous year's tax base calculation assumed a 99.5% collection rate, which also allowed for some movement in the items mentioned in Paragraph 4. The impact of the current economic downturn on the future collection rate has been assessed along with the likely effect of the changes to council tax support and it is considered prudent to reduce the collection rate to 99.3% for 2013/14.
- 14 The second column of the table below sets out the number of band D equivalents based on the valuation list and occupancy information at 1st December 2012 for each parish, together with a summary for the District. The figures are then subjected to the collection rate adjustment in column 3 to arrive at the tax base for council tax setting purposes appearing in column 4. The corresponding figures for 2012/13 appear in column 5.

<u>(1)</u> <u>Parish</u>	<u>(2)</u> <u>Band D</u> <u>Equivalents</u>	<u>(3)</u> <u>Collection</u> <u>Rate</u> <u>Multipliers</u>	<u>(4)</u> <u>Tax base</u> <u>2013/14</u>	<u>(5)</u> <u>Tax base</u> <u>2012/13</u>
Ash-cum-Ridley	2,359.03	0.993	2,342.51	2,550.68
Brasted	734.78	0.993	729.63	757.79
Chevening	1,437.91	0.993	1,427.85	1,459.76
Chiddingstone	574.31	0.993	570.29	601.38

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Cowden	401.09	0.993	398.28	422.68
Crockenhill	627.70	0.993	623.31	704.56
Dunton Green	812.39	0.993	806.71	908.63
Edenbridge	3,343.90	0.993	3,320.50	3,651.85
Eynsford	899.38	0.993	893.09	944.65
Farningham	598.92	0.993	594.73	636.50
Fawkham	271.41	0.993	269.51	286.36
Halstead	718.55	0.993	713.52	780.58
Hartley	2,453.52	0.993	2,436.35	2,589.29
Hever	589.04	0.993	584.92	621.48
Hextable	1,619.81	0.993	1,608.47	1,705.33
Horton Kirby & South Darenth	1,248.49	0.993	1,239.75	1,379.27
Kemsing	1,785.57	0.993	1,773.07	1,878.86
Knockholt	606.18	0.993	601.93	619.39
Leigh	784.25	0.993	778.76	842.37
Otford	1,658.74	0.993	1,647.13	1,737.97
Penshurst	804.52	0.993	798.88	847.24
Riverhead	1,209.04	0.993	1,200.57	1,241.36
Seal	1,154.59	0.993	1,146.50	1,237.28
Sevenoaks Town	8,953.29	0.993	8,890.62	9,282.55
Sevenoaks Weald	605.72	0.993	601.48	627.15
Shoreham	965.26	0.993	958.50	1,025.55
Sundridge	894.07	0.993	887.81	950.23
Swanley	5,139.64	0.993	5,103.66	6,090.99
Westerham	1,905.50	0.993	1,892.17	2,072.09
West Kingsdown	2,227.98	0.993	2,212.39	2,406.21
TOTALS	47,384.57		47,052.88	50,860.03

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

Timetable for Setting the Tax

- 16 The County Council and Fire and Rescue Service have advised me of their budget meeting dates for 2013/14. Confirmation of the Police Authority budget meeting date is awaited:

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County Council	14th February 2013
Police Authority	To be advised
Fire and Rescue Service	13th February 2013

- 17 The council tax for the Sevenoaks area cannot be set before the Fire, Police or County precepts have been ratified. There are several dates laid down in regulations on, or by which, certain tasks in relation to the budget process and tax setting have to be carried out. These key dates appear in the Appendix.
- 18 As part of the tax setting process, the Council is required to make an estimate of the collection fund surplus or deficit at 15th January 2013 or the first working day after this, for the year ending 31st March 2013.
- 19 The amount of any surplus or deficit which a billing authority estimates in its collection fund will not remain in the collection fund but will be shared and taken into account by both billing and major precepting authorities in calculating their basic amounts of council tax for 2013/14.
- 20 In estimating any surplus or deficit, items relating to community charge will not be taken into account. These are to remain with the billing authority and will be taken into account by it in calculating its basic amount of council tax for the year.
- 21 An authority's share of any surplus or deficit relating to council tax is to be in the same proportion as its demand bears to the total demand and precepts on the collection fund for 2012/13. Payment is to be made during 2013/14 on the same dates as precept payments.

Key Implications

Financial

- 22 There are no financial implications.

Community Impact and Outcomes

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

Legal, Human Rights etc.

- 24 None.

Equality Impacts

- 25

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence

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?	No	The recommendation is concerned with setting the council tax base for the District and does not directly impact upon a service provided to the community.
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?		No mitigating steps are required.

Conclusions

26 Members are asked to approve the calculation of the District’s tax base for council tax setting purposes and to note the timetable for setting the 2013/14 council tax.

Risk Assessment Statement

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

Sources of Information:

Reports from council tax computer system
Returns to DCLG
Correspondence with KCC, Police and Fire Authorities
Collection Fund Accounts.

Contact Officer(s):

Roy Parsons ext. 7204

**DR. PAV RAMEWAL
DEPUTY CHIEF EXECUTIVE & DIRECTOR OF CORPORATE RESOURCES**

KEY DATES IN THE COUNCIL TAX SETTING PROCESS

- | | | |
|-------|---|--|
| i) | By 12th October 2012 | Notify tax base for grant settlement purposes to Department for Communities & Local Government (DCLG) |
| ii) | During December 2012 | DCLG notifies schedule of payment dates for Revenue Support Grant (RSG) and Non-Domestic Rates (NDR). DCLG notifies the NDR multiplier (rate in £) for 2013/14 |
| iii) | By 31st December 2012 | Issue proposed schedule of payment dates to precepting authorities |
| iv) | By 31st January 2013 | Agree actual schedule of precept payment dates |
| v) | Between 1st December 2012 and 31st January 2013 | Notify tax base for tax setting purposes to KCC, Fire and Police Authorities |
| vi) | On 15th January 2013 | Estimate collection fund surplus or deficit for year and calculate the amount to be shared between SDC, KCC, Fire and Police Authorities (where applicable) |
| vii) | By 22nd January 2013 | Notify KCC, Fire and Police Authorities of their shares of the surplus or deficit and when amounts are to be paid or transferred during 2013/14 (where applicable) |
| viii) | During January and February 2013 | Notify Town/Parish Councils of tax bases for their areas within 10 days of them making such a request |
| ix) | During February 2013 | DCLG notifies entitlements and payment dates of Formula Spending Share (FSS), RSG and NDR |
| x) | By 1st March 2013 | County, Fire and Police Authorities, Town and Parish Councils issue their precepts |
| xi) | By 11th March 2013 | District sets council tax for 2013/14, taking account of its own budget requirement and those of the precepting authorities |

SENIOR MANAGEMENT RESTRUCTURE

Cabinet – 10 January 2013

Report of the: Chief Executive

Also considered by: Council – 19 February 2013

Status: For Consideration and Comments

Key Decision: No

Executive Summary: This report sets out a proposal for a restructure of the Council's senior management that meets the commitment within the four year savings plan to deliver a reduction in senior management costs of £302,000.

The report provides the criteria used to help shape the proposal, the proposed senior management structure, a summary of the consultation carried out with staff and the processes that will be followed in appointing to the new posts.

This report supports the Key Aim of delivering the Council's vision and promises through effective management of council resources.

Portfolio Holder: Cllr. Peter Fleming

Recommendations to Cabinet:

It be resolved that Cabinet:

- (a) endorse the report;
 - (b) note that the costs associated with the restructure of senior management will be limited to, and met from, the earmarked Reorganisation Reserve as approved by Council in February 2012; and
 - (c) note that the cost of any service restructures as a result of the new senior management structure will be limited to, and met from, existing service budgets.
-

Recommendations to Council:

It be resolved that Council approve:

- (a) the changes proposed within the report and the senior management structure set out at Appendix A to this report;
 - (b) that the post of Director of Community and Planning and Deputy Chief Executive be deleted from April 2013 following an offer of voluntary redundancy from the
-

Agenda Item 8

post holder;

- (c) that the new senior management structure will take effect from 1 September; and
- (d) the processes to be followed in respect of consultation and recruitment.

Reason for recommendation: To adopt a management structure that will ensure the Council is able to deliver on its vision and promises to the community, be well placed to meet future challenges and to deliver the savings required as part of the four year savings plan, that contribute to the Council delivering a long term sustainable budget.

Background

- 1 Since 2003 the Council has continually sought and delivered improvements to the way it works to the benefit of the local community. Throughout this period the Council has implemented improvements to its organisational structure, including reviews of senior management. Preceding 2003 the Council employed 23 Heads of Service and up until recently employed 3 Directors. By adopting a strategic approach to workforce management and through the introduction of initiatives such as empowerment by 2010 the number of Heads of Service had been reduced to just eight. This progressive approach, that has always recognised financial pressures, has enabled the Council to retain a strong focus on delivering the Council's priorities, enabled it to achieve national recognition for value for money and been honoured as a Champion organisation for Investors In People. As a result the Council has developed a reputation as one of the highest performing local authorities in the Country.
- 2 Over the last two years the Council has faced severe cuts to its funding as the Government has implemented strategies to address the Country's economic difficulties and reduce its deficit. In 2010 the Council identified that it was faced with a significant shortfall in its funding, approaching £6.5 million between April 2011 and March 2015. By adopting a unique long term financial strategy and a ten year budget the funding gap was reduced to £4.5 million.
- 3 A comprehensive and structured review of savings options led to the creation of a four year savings plan which would deliver the savings required and provide the foundation for the Council's long term financial stability. The savings plan, agreed by Council in December 2010, included a commitment to deliver savings totalling £302,000 from senior management.
- 4 Between 2010 and 2012 the Council has reduced its number of Heads of Service to just five and as a result £60,000 has already been contributed to the savings target from senior management. In October 2012 the Council's Chief Executive notified the Leader of the Council of his intention to retire in September 2013. Members took the decision to appoint from within the Council and the Chief Executive Designate was confirmed by Council on 7 November 2012 and was requested to develop a proposed structure that would identify the remaining savings.

Introduction

- 5 This report sets out a proposal for a new senior management structure for Sevenoaks District Council to take effect from 1 September 2013. The overall proposals have been developed by the Chief Executive Designate following consultation with the Council's senior managers.
- 6 In developing the structure it was clear that a number of criteria must be met. These can be summarised as:
- Delivering the financial savings required from senior management to support the achievement of the four year savings plan;
 - Developing a structure that provides the strategic direction, leadership, skills and capacity required to deliver on the Council's vision and promises;
 - Ensuring that the senior officer structure provides the required level of support to Members, providing appropriate access to information and advice to fulfil their role as community leaders;
 - Ensuring the structure maximises the benefit of the skills and experience of high performing senior managers that have been an integral part of the Council's achievements;
 - Retaining sufficient capacity within the structure to support the Council's ambitions to continue to develop and retain high quality officers and maintain an unstinting focus on the customer; and
 - Ensure the Council is in a strong position to anticipate and shape the future challenges it faces, which are set out in the following section of this report.

Future Challenges

- 7 Linked to the criteria set out above there are a number of future challenges that the proposed structure has been developed to embrace. The approach recognises that due to the extent and pace of change the structure will need to evolve over the next few years as the impact on local government becomes clearer. It is hoped that this will lead to future savings and efficiencies.
- 8 As a result of changes to legislation and continued substantial reductions in Government funding of local authorities the key future challenges are set out in the following paragraphs.
- 9 **Finance.** Continuing to develop the Council's financial strategy and providing highly informative analysis will be critical to enabling the Council's services to succeed in to the future. Economic forecasts continue to be pessimistic and this will inevitably have a negative effect on the future of local government funding. When combined with the other key issues set out below maintaining a strong focus on finance will be imperative to the Council's ability to shape its own future.
- 10 **Welfare Reform.** The transition to local support for council tax and Universal Credit, the expectation of £5bn of further cuts to come from the Country's benefit bill in the coming years and accompanying amendments to social housing

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legislation will have a significant and lasting impact on the Council's services. Maximising the benefit of innovative services such as the HERO project and enabling new social and affordable housing in the District will be essential in supporting the local community and preventing homelessness.

- 11 **Planning Reform.** The introduction of the National Planning Policy Framework and the recent Growth and Infrastructure Bill continues to show the Government's determination to transform the planning process to positively encourage new development. Linking this to the increased incentives to local authorities to encourage appropriate development through New Homes Bonus, local retention of business rates and Community Infrastructure Levy provides a new framework for local government to maximise the benefits of the planning service for the benefit of the whole community. To balance this with the Council's promise to protect the Green Belt and the potential demand for local plans requires a strong focus, exceptional leadership skills, detailed knowledge of the planning system and a high sense of understanding of the importance of local issues.

There is no doubt that planning is a major, vital service to the District Council and it operates in a sensitive environment. Recent Government proposals to return to performance monitoring Council planning departments on the quality and speed of their decisions creates further demand for an efficient, customer focussed service to ensure decisions on planning matters remain with this Council for the long term. To achieve this there is a need for the Council to ensure it has a very high degree of professional expertise and experience in development control.

Planning policy is very different. Whilst it retains a very strong planning focus, it is now much broader and needs to link very closely with the Community Plan and the Council's priorities for housing and economic development.

- 12 **Local Issues.** The Council has set out its promises that in addition to value for money and protecting the green belt include community safety, a high performing waste collection service and supporting the local economy. The proposed structure ensures that the Council retains the skills, experience and expertise to achieve these promises and as a result continue to build on the Council's reputation as a high performing local authority.

Proposed Structure

- 13 Taking into consideration each of the criteria above and the future challenges that the Council faces it is recommended that the Council adopts the management structure proposed at Appendix A to this report. For Members' information the existing management structure is set out at Appendix B to this report. The new structure reduces the existing management team from three individuals to one individual.
- 14 The Council is facing or is likely to face a number of significant pressures and challenges, the like of which local government has not seen for many decades. It would therefore not be the appropriate time at which to consider a reduction in Heads of Service, due to both their technical and operational expertise.
- 15 The Director of Community and Planning and Deputy Chief Executive has offered to take voluntary redundancy leading to the deletion of this post. This allows the

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Council to introduce a structure going forward that will place it in a strong position to tackle the significant challenges ahead.

- 16 The Director of Community and Planning and Deputy Chief Executive has done an outstanding job in her current role and has been a significant contributor to the Council's transformation and will no doubt leave a large gap at senior level.
- 17 In place of the Deputy Chief Executive role the new structure introduces the role of Chief Officer. The role of Chief Officer is an enhancement on the existing Head of Service roles. At its core the Chief Officer role enables the Council to continue to benefit from the extensive experience of the current Heads of Service who have contributed significantly to Sevenoaks District Council being recognised as being in the top 2% of top performing Councils nationally.
- 18 The role of Chief Officer will combine overview of all the Chief Officer's services with direct personal responsibility for the combination of services within their department. The Chief Officers will also adopt a common strategic approach in supporting the Council in meeting its medium to long term ambitions.
- 19 The practical changes that will be adopted to ensure a greater level of accountability is secured from each Chief Officer include:
 - Each Chief Officer reporting directly to the Chief Executive;
 - Transferring existing delegated authority that currently rests at Deputy Chief Executive level to the relevant Chief Officer; and
 - Alongside the Chief Executive the Chief Officers make up the Council's Management Team and are directly responsible for shaping and delivering on the Council's strategy.
- 20 Allowing for these changes it would be both difficult and financially unviable for the structure to accommodate a post of Deputy to the Chief Executive. By further exploiting the principles of empowerment it is envisaged that further capacity will be generated from the remaining service managers.
- 21 Two new roles of Head of Service are created within the structure, for Human Resources and Transformation & Strategy. These roles recognise the significant importance of the services they deliver to the future success of the Council. The post holders will report directly to the Chief Executive and support the Council's Management Team.
- 22 Set out at Appendix C is a summary of the services that it is proposed that each role in the proposed structure (set out at Appendix A) will hold responsibility for.

Appointment Process

- 23 The appointments process for each of the roles in the new structure has been determined taking the professional advice of the Council's HR Manager and that of the Council's Head of Legal & Democratic Services to ensure compliance with the requirements of the Council's Constitution.

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- 24 For clarity, the post of Director of Community and Planning and Deputy Chief Executive will be deleted from the Council's structure and the post holder will take voluntary redundancy. The cost of the redundancy will be met from the Reorganisation Reserve which is earmarked for such purposes.
- 25 The following posts will be assimilated in to the new roles of Chief Officer as follows:

Current Role	Assimilated To
Head of Community Development	Chief Officer Communities & Business
Head of Environmental & Operational Services	Chief Officer Environmental & Operational Services
Head of Housing & Communications	Chief Officer Housing
Head of IT & Customer Services	Chief Officer Corporate Support
Head of Legal & Democratic Services	Chief Officer Legal & Governance (Monitoring Officer)

- 26 The two remaining Chief Officer roles, those of Planning and Finance will be subject to competitive assimilation, this will include external competition. Under the current management structure both post holders have been strongly supported within their roles by the current Directors. Under the proposed structure the deletion of the Director posts will remove this level of senior support and makes it critical that the new Chief Officers of both Finance and Planning have the right skills, experience and knowledge to take on the challenges the posts will present without Director level support to their functions.
- 27 It is also the case that the role of Group Manager does not directly align with that of the Head of Service which is being assimilated. The necessity to advertise these posts externally provides the Council with the opportunity to ensure that it benefits from having the most suitable officer in post, with the qualities and qualifications to drive these key areas for the Council forward.
- 28 The existing Group Managers of Finance and Planning will be eligible to apply for the new Chief Officer posts. Should an external candidate be appointed the cost will be met from restructuring of the current service. If a service restructure is required it would be with a view to the new service structure being in place no later than 1 September 2013, and ideally much earlier. If required, any costs of redundancy will be met from the Reorganisation Reserve which is earmarked for that purpose.
- 29 The current Human Resources Manager, who reports directly to the Chief Executive Designate, will be assimilated to the new role of Head of Human Resources and report directly to the new Chief Executive.

- 30 The new role of Head of Transformation & Strategy will be subject to internal competition. As set out at Appendix C this new role will assume responsibility for the existing Policy and Performance and Communications services as well as Equalities. As a result the internal competition will be ring fenced to the existing Policy & Performance Manager and the existing Communications & Consultation Manager. If the Council is unable to appoint from internal applicants then the post will be advertised externally.
- 31 In light of the recent reduction in senior financial resource it is also proposed that a post of Financial Analyst is created within the Transformation & Strategy service. The cost of this post will be met from within existing budgets.

Service Restructures

- 32 Following the appointment of the Chief Officers the new Management Team will undertake a review of the remaining service structure to deliver sustainable service models that are equipped to address future issues and deliver high performing, customer focussed services. As part of ensuring the retention of staff, a limited number of new Heads of Service posts (designated from service managers) are likely to be introduced as part of this review. As with previous restructures at this level these will be implemented, under delegated authority, by the responsible Chief Officer or Head of Service, in consultation with the relevant Portfolio Holder, and agreed by the Head of Paid Service.
- 33 It is recognised that any subsequent restructures must be met from within existing budgets and no financial growth items will be proposed to achieve a restructure of the service. It is also clear that any restructures will not inhibit the commitment to deliver the required £302,000 saving from senior management.
- 34 Members may also wish to note that the Council will review the level of Secretarial support required within the new senior management structure. In recognition of the project based and administrative support likely to be required by the new Chief Executive it is proposed that a new post of Project Support Officer & PA is created. In the first instance this post will be subject to internal competition and ring-fenced to the existing PA to the Chief Executive, PA to the Director of Community and Planning and the PA to the Director of Corporate Resources.
- 35 A review of the remaining Secretariat (including PAs) will be undertaken, with a view to reducing the overall cost of the service.

Consultation

- 36 In order to implement the senior management restructure and any subsequent service restructures the Council is required to undertake a formal consultation with those officers who will be directly affected by the proposal. The proposed restructure has been will also be discussed with UNISON who have no objections.
- 37 The consultation process will commence following the publication of this report and will end before close of office hours on 10 January 2013. The results of the consultation will be presented to Cabinet at their meeting on the 10 January.

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- 38 A key focus of the consultation will be engagement with officers placed 'at risk' of redundancy. As a result of the proposals being put forward five officers will be placed at risk. These will be the Group Manager – Finance, the Group Manager – Planning and each of the PAs to the current Chief Executive and Directors.

Key Implications

Financial

- 39 The departure of both the Head of Finance & HR and the Head of Development Control earlier this year has already contributed £60,000 towards the £302,000 savings required from senior management. It is anticipated that the deletion of the two Director posts will exceed the savings target. Additional savings are also likely to be achieved from the review of the Secretariat. Any additional costs or enhancements of salaries for additional responsibility will be met from within budget to ensure that the on-going £302,000 savings target is met.
- 40 It is unlikely that the full £302,000 savings target will be met from 1 April 2013. However, it is anticipated that around £200,000 can be met from 1 April 2013 and the remainder following the implementation of the remaining restructure. It is hoped that, as far as possible, any budgetary shortfall in 2013/14 will be met from within budget.
- 41 In recognition of the additional duties, responsibilities and delegations the Chief Executive pay band will extend by a further two spinal points beyond the current post holders salary and, subject to job evaluation, two new Chief Officer pay bands extending to spinal point 74 will be introduced but will remain on the national terms and conditions
- 42 The redundancy costs associated with the restructure of senior management, and any shortfall in 2013/14, will be met from the earmarked Reorganisation Reserve that was approved by Council in February 2012.

Community Impact and Outcomes

- 43 None. The proposed service structure ensures that the Council remains focussed on delivering its vision and promises to the local community and ensures sufficient capacity to deliver high quality, customer focussed services.

Legal, Human Rights etc.

- 44 The Council has taken the professional advice of the HR Manager and the Head of Legal & Democratic Services to ensure proper practices are followed in the proposed restructure of the Council's senior management.

Resource (non-financial)

- 45 As a result of the proposal to restructure senior management three posts will be deleted from the Council's structure. The Director of Community and Planning and Deputy Chief Executive has offered to take voluntary redundancy. There is also the potential for two further FTE employees to be made redundant, subject to the outcome of the competitive assimilation process for the roles of Chief Officer Finance and Chief Officer Planning.

- 46 The proposals to review the level of Secretarial support required for the new senior management structure may result in further posts being deleted. On the basis of the current proposal to appoint a new Project Support Officer & PA to support the new Chief Executive it is proposed that three officers will be placed at risk of redundancy.

Value For Money

- 47 The restructure of senior management is directly linked to the Council’s decision to deliver £302,000 of savings from its senior management positions. This decision was taken to protect the delivery of front line services, keep down increases in council tax and to deliver improved value for money to local residents.

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?	No	Employees who may be affected by these proposals are not within any of the protected characteristic groups identified by the Equalities Act 2010.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		Staff have known since December 2010 that significant savings are required to be met. The Reorganisation Reserve was made available to cover redundancy costs.

Conclusions

- 48 This report sets out for Members a proposed senior management structure that will enable the Council to continue its progression as a high performing, value for money organisation.
- 49 The proposal takes due consideration of the environment the Council operates in now, the significant future challenges that the Council will face and the local needs and aspirations articulated through the Council’s vision and promises.
- 50 The structure is designed to ensure that the Council continues to benefit from the extensive experience of its current Heads of Service who have contributed significantly to the Council’s success and provides the foundation for the Council to anticipate and shape its own future.
- 51 Importantly the proposed structure also delivers on the Council’s commitment to save £302,000 from senior management costs as a contribution to the four year savings plan. All costs associated with the restructure will be met from within the Reorganisation Reserve which is earmarked for such purposes.

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Risk Assessment Statement

- 52 Failure to implement a restructure of senior management will place the Council's ability to deliver the savings required within the four year savings plan at risk.
- 53 A period of consultation will be carried out that will enable the Council to identify any risks that may arise as a result of the proposed structure. The results of this consultation will be reported back to Members at the January meeting of Cabinet.

Appendices

Appendix A – Proposed structure chart

Appendix B – Current management structure

Appendix C – Management of services

Background Papers:

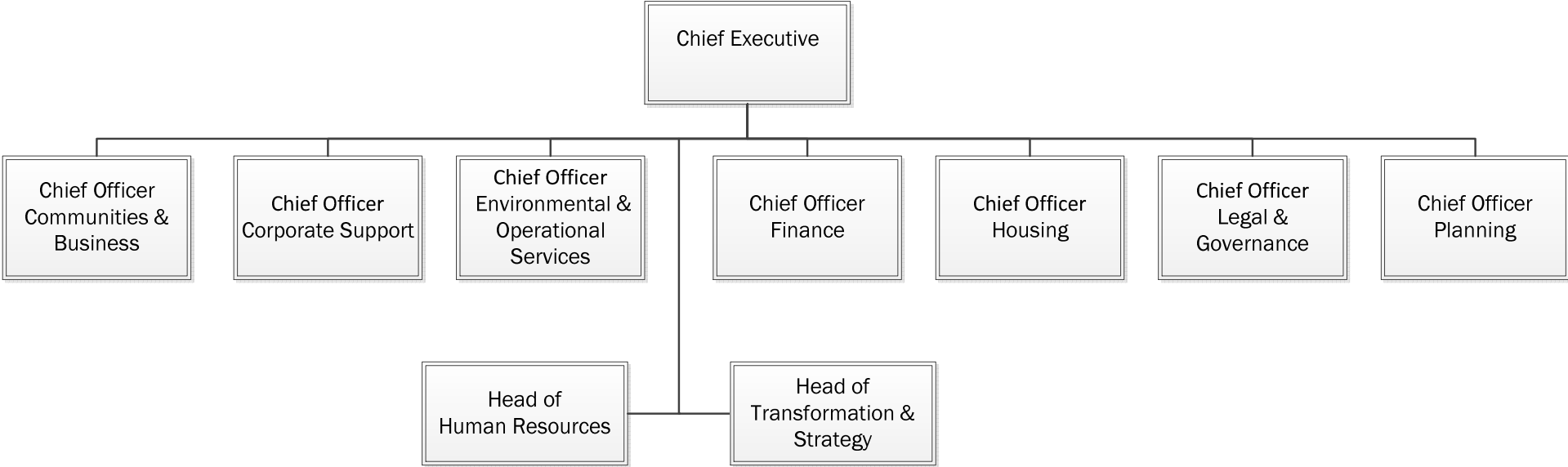
None

Contact Officers:

Dr. Pav Ramewal
Ext. 7298

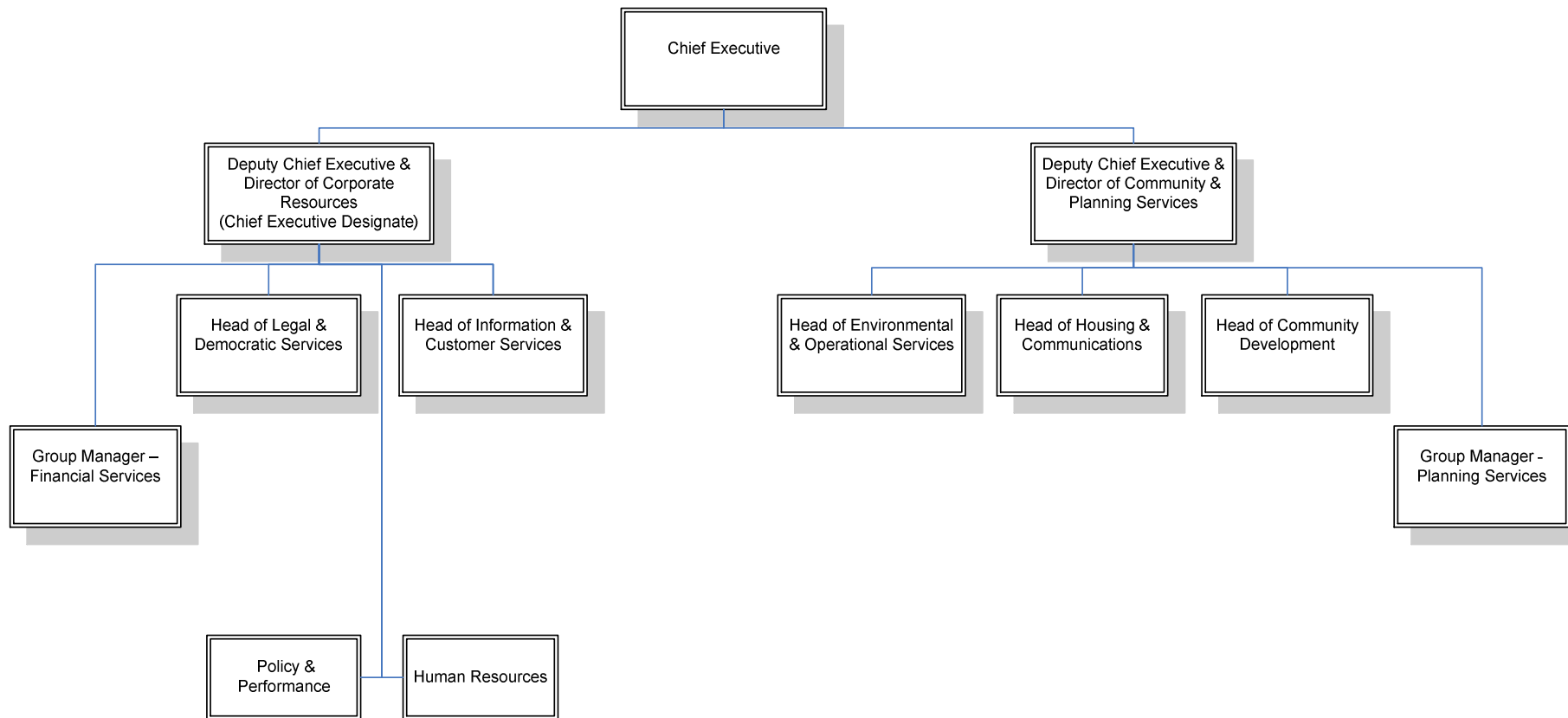
Robin Hales
Chief Executive

Proposed Organisational Structure



TOTAL POSTS: 10

Current Organisational Structure



TOTAL POSTS: 12

Management Responsibilities

Officer	Responsibilities
Chief Executive Officer	Head of Paid Service, Section 151 Officer, Returning Officer, Regeneration
Chief Officer Communities & Business	Community Engagement, Community Plan, Community Safety, Economic Development, Grants, Health, Leisure, Locality Boards, Older People, Safeguarding, West Kent Partnership, Young People
Chief Officer Corporate Support	Customer Services, Facilities Management, IT Services, Property Services, Post Room & Scanning, Telecommunications
Chief Officer Environmental & Operational Services	Building Control, Business Continuity, Corporate Health & Safety, CCTV, Emergency Planning, Environmental Health, Licensing, Parking & Amenity, Procurement, Refuse Collection & Recycling, Street & Other cleansing services
Chief Officer Finance	Audit, Anti-Fraud, Benefits, Business Rates, Council Tax, Finance, Risk Management, Strategic Asset Management, Treasury Management
Chief Officer Housing	Climate Change, Empty Homes, Housing Policy & Enabling, Management of Gypsy/Traveller sites & unauthorised encampments, Liaison with RSL's, Private Housing, Social Housing, West Kent Leader Programme
Chief Officer Legal & Governance	Data Protection & Freedom of Information, Democratic Services, Elections, Land Charges, Legal Services, Monitoring Officer, Standards & Ethics
Chief Officer Planning	Conservation, Development Control, Planning Appeals, Planning Enforcement, Planning Policy, Arboricultural Policy
Head of Human Resources	Employee Relations, Health & Wellbeing, Human Resources, Learning & Development, Payroll, Recruitment & Selection, Secretariat
Head of Transformation & Strategy	Communications, Consultation, Equalities, Financial Analysis, Improvement & transformation, Performance Management, Policy, Project Support, Service Planning

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WHITEOAK LEISURE CENTRE ASSET MAINTENANCE – CONSIDERATION OF OPTIONS

Cabinet – 10 January 2013

Report of the: Community & Planning Services Director and Corporate Resources Director

Status: For decision

Key Decision: Yes

Executive Summary:

Swanley White Oak Leisure Centre was built in the 1960s and it is expected that major costs for repairs to the existing centre will be necessary over the next ten years. The existing asset maintenance budget will not be sufficient to address these needs.

The Centre is an important local facility and it is necessary to consider options for its future.

This report summarises options for the leisure centre and outlines the impact of each option.

This report supports the Key Aims of Effective Management of Council Resources and the Community Plan vision for Safe & Caring Communities, a Green & Healthy Environment and a Dynamic & Sustainable Economy.

Portfolio Holders Cllr. Mrs Pat Bosley

Cllr. Brian Ramsay

Head of Service Lesley Bowles, Head of Community Development

Recommendation to CABINET: Members' instructions regarding future options are sought. This is to enable Officers to undertake further investigations into how the selected options can be delivered including detailed costings and delivery models.

Reason for recommendation: It is necessary to identify a future course of action with regard to the asset maintenance of Whiteoak Leisure Centre, taking into account the need for major expenditure over the next ten years.

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Introduction

- 1 White Oak Leisure Centre in Swanley was constructed in the mid 1960s by Dartford Rural District Council. The flumes were added in the 1980s and the main reception and café areas were refurbished in 2000 at a cost of £3m.
- 2 The centre now provides a 33 metre pool with diving pit, teaching pool, gym & exercise studio, 6 court sports hall, martial arts rooms, practice hall, 3 squash courts, soft play area, crèche, cafeteria and a 3-ride flume.
- 3 The centre is leased to Sencio Community Leisure for a period of 25 years from 2004 with the District Council remaining responsible for maintaining the structure and main plant. All other maintenance and improvement is the responsibility of Sencio.
- 4 A Leisure Asset Maintenance Options Report to Cabinet in November 2010 set out broad options for ameliorating the impact of reduced asset maintenance for Sencio. Cabinet agreed that officers should explore options for the future of White Oak Leisure Centre.
- 5 Four options have been explored for the White Oak Leisure Centre:
 - Option 1 - Do nothing. This option assumes that the current asset maintenance budget would not be adequate to deal with the maintenance needs and the Centre would gradually fall into disrepair.
 - Option 2 - Invest in the existing building. This option assumes that Council reserves would have to be used to undertake major work required over the next ten years.
 - Option 3 - Replace existing building either on the same site or a different site. This option assumes that a smaller, more economical centre would replace the White Oak leisure centre and that the Indoor Bowls Centre would remain on the site, unaffected.
 - Option 4 - Close the leisure centre. This option assumes that the leisure centre would be closed without any replacement and that the resulting value of the land on which it sits would be added to the Council's reserves. It assumes that the Indoor Bowls Centre would remain on the site, unaffected.

Sports Provision in Sevenoaks District

- 6 A Sport England Profiling Report in 2011 on Sports Hall Provision in Sevenoaks District shows that there are two sports hall sites within Swanley, one of which is White Oak Leisure Centre. Unmet demand for sports halls in Sevenoaks District is 6% of total demand. This is almost entirely due to residents being outside the catchment area of a sports hall, who do not have access to a car, as opposed to a lack of capacity. The national figure for unmet demand is higher, at 9%.
- 7 A Sport England Profiling Report in 2011 on Swimming Pool Provision in Sevenoaks District shows that there is one pool site within Swanley, at White Oak Leisure Centre. Unmet demand is 5% of total demand. This is almost entirely due to

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residents being outside the catchment area of a swimming pool, who do not have access to a car, as opposed to a lack of capacity. The national figure for unmet demand is higher, at 10%.

- 8 The Open Space, Sport and Recreational Facilities Needs Assessment Audit of 2009 sets out existing swimming pool provision in the Sevenoaks District. 13 swimming pool facilities are identified in the Sevenoaks District. Of these, 4 pools are for private use only and 6 are for school or club use only. The model sets out current (2009) projected pool demand and supply as follows:

Scenario	Demand	Supply	Oversupply/Shortfall
2009	1077 m ²	1141 m ²	Oversupply of 64 m ²
2026 most likely	1106 m ²	1141 m ²	Oversupply of 35 m ²
Closure of White Oak Leisure Centre	1077 m ²	551 m ²	Undersupply of 526 m ²

- 9 Supply of 1141m² is based on three public leisure centres owned by this Council and run by Sencio Community Leisure. Closure of White Oak Leisure Centre would lead to a deficit of swimming water in the District.
- 10 The main pool and diving pool at White Oak is 590 m² in size, whilst for comparison, the main pool at Sevenoaks Leisure Centre is 325 m² (there isn't a diving pool at Sevenoaks).

Current Usage

- 11 Current usage of the leisure centre is set out below. From January to December 2011, there were a total of 336,953 attendances at White Oak Leisure Centre. For the 9 months from January to September 2012, there were a total of 270,425 attendances.
- 12 A total of 32 clubs use the leisure centre regularly for weekly dry and wet activities, 20 schools use the leisure centre regularly for swimming and other activities, and 23 organisations use the leisure centre for one-off annual events.
- 13 A scatter map showing users of White Oak Leisure Centre by place of residence is attached at Appendix B.

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White Oak Leisure Centre Usage	12 months January to December 2011	Estimate 12 months January to September 2012
Wetside	169,974	171,061
Dryside	114,920	104,134
Fitness	52,059	55,323
Total	336,953	330,518

Feasibility study into replacement facility

- 14 Alliance Leisure were appointed to undertake a study into the feasibility of redeveloping White Oak Leisure Centre to provide a more appropriate leisure facility and to reduce operating and future maintenance relating to the facility.
- 15 A copy of the full report is available from officers. The study established the demand for leisure in the area and set out a requirement for accommodation in a redeveloped leisure centre that would satisfy demand and provide sufficient income to cover costs:
- 6 lane x 25m swimming pool plus moveable boom and floor
 - 4 court sports hall, plus storage
 - 56 station fitness suite
 - Fitness studio (designated for spinning)
 - 2 x dance studios (flexible use areas)
 - Changing facilities, viewing, vending, administration and welfare facilities
 - 100 car parking spaces, including provision for blue badge and parent & toddler spaces
- 16 The study calculated, by analysis of current use, projected income and usage over the first five years of the facilities life income and expenditure predictions. These figures are given in Appendix C.
- 17 The study showed that the extent of the Council's landholding would enable the new leisure centre, the bowls centre and associated parking to be accommodated on the Whiteoak site, leaving 3.7 acres of land for other development. The scheme allowed for the existing leisure centre to be able to operate until the replacement is ready for use.

- 18 The estimated cost for construction of a new leisure centre to provide the facilities described above is £7.1 million.
- 19 Following the feasibility study, further work was undertaken by Sencio Community Leisure with the consultants to review the income potential for a new building. This further study critically examined :
- Current programmes both wet and dry
 - Club , schools and organisations usage both wet and dry and their relocation to the new facility
 - Fitness classes
 - Level of fitness memberships and the potential growth in line with the latent demand study (346 new members)
 - Casual visits for swimming and the impact of the removal of flumes and diving pool
 - Birthday parties and the impact of the removal of flumes
- 20 Proposed changes included the deletion of the proposal for a moveable floor and boom in the swimming pool and the addition of a teaching pool capable of generating additional income, requiring facilities as set out below:
- 6 lane x 25m swimming pool with spectator seating for 50-100 people (movable boom and floor proposed would not be cost effective)
 - Teaching pool
 - 4 court sports hall, plus storage
 - 56 station fitness suite –latent demand study shows capacity of 346 more members than current numbers
 - Fitness studio. The original feasibility proposed a designated spinning studio which would only operate 5 hours per week. The new proposal is for spinning bikes to be stored away after use to increase flexibility and usage of space.
 - Dance studios (flexible use areas) with sliding doors so that can be 2 separate spaces or 1.
 - Cafe pod/small kitchen area and vending.
- 21 This and other changes increased the estimated operating surplus and the 5 year estimates are set out in Appendix C2.

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- 22 Estimated costs for the construction of the revised facility are an additional £250,000 taking the overall cost to £7.35m. It is anticipated that this would fit into the estimated footprint and would therefore not reduce the value of the residual land.
- 23 An analysis of income and expenditure at the current site, compared with figures for the original feasibility and updated feasibility study are set out in Appendix C.

Sites analysis

- 24 The Property Manager has undertaken an analysis of potential sites that might accommodate a rebuilt leisure centre. These are summarised at Appendix A. Taking into account ownership, suitability, affordability and planning implications, the site most likely for development is the existing Whiteoak site.

Procurement Options

Assumption

- 25 That the replacement leisure centre is constructed and operating before the existing centre is closed and demolished.

Option A

- 26 Leisure centre designed in house and constructed (subject to EU procurement procedures) prior to marketing the remainder of the site for housing (this is necessary as it is intended to keep the existing centre in operation until the replacement is completed).
- 27 A scheme such as this would require a team of professionals including architects, draughtsmen, services engineers, quantity surveyors, project managers and CDM/Health & safety professionals. Given the current size of the establishment of the Property Section, internal provision is not seen as a viable option.
- 28 Any capital receipt for the housing element would not be received until after the replacement leisure is built and by splitting the site into two contracts economies of scale savings and contract programming would prove problematical.

Option B

- 29 Tender the leisure centre as a design and build project by way of utilising a central purchasing group (this type of group was set up to work only with local authorities and charities and could accommodate EU procurement rules as the group will have already subjected the partner contractor to a tendering process).

- 30 This type of group will provide an “off the peg” solution thereby reducing costs (by possibly up to 25%) and construction time.
- 31 As in Option A above any capital receipt for the housing element would not be received until after the replacement leisure is built and by splitting the site into two contracts economies of scale savings and contract programming would prove problematical.

Option C

- 32 As Option B above but with the leisure provider forming a joint venture with a residential developer which will enable the Council to include both elements of the proposed redevelopment into one transaction and thereby overcoming programming difficulties and passing some of the residential development risk to the developer. This option is recommended for further investigation.

Legal Background

- 33 The Council owns the freehold K924375 of the premises known as White Oak Leisure Centre shown edged red on the plan attached hereto. This land is leased to the tenant – Sevenoaks Leisure Limited (Sencio) who is a leisure trust established as an Industrial and Provident Society. Sencio’s leasehold title is registered under K 871111.
- 34 The Council leased White Oak to Sencio on 22 April 2004 and granted a 25 year lease to them running from the 10 February 2004. The lease is a business tenancy that is controlled by the Landlord and Tenant Act 1954 (the Act).
- 35 The lease in this instance has been ‘contracted out’ of the Act which means that the tenant will not be able to automatically renew their tenancy when it comes to the end of its term. There is effectively only a contractual tenancy and not a statutory tenancy.
- 36 The lease for White Oak contains two break clauses (clauses 7.1 and 7.2). Clause 7.1 deals with Landlord (the Council) wishing to demolish or reconstruct premises or a substantial part thereof. If exercising this provision the Council would need to give the tenant not less than 6 months prior written notice of such an event. The notice would have the effect of determining the lease (without prejudice to the accrued rights of either party). Sencio are required to deliver up the premises with full vacant possession.
- 37 Clause 7.2 gives the Council the right to serve a prior written notice of not less than 2 months duration on Sencio to surrender the lease of either the whole or part of the premises to the Council if the Council considers the premises are wholly unfit for use. Such matters that determine fitness will depend on insurability, latent or patent defects (in the building) or in the Council’s opinion it’s impracticable or uneconomic to rebuild, reinstate or effect major repairs.

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38 Several points arise from such potential actions: -

- As the lease is contracted out and compensation excluded (clause 10) in theory compensation should not be payable. This should be the case provided all the administrative procedures for contracting out were correctly followed (this is a much litigated aspect of business leases). If compensation was found to be payable this would be calculated at once times the rateable value of the property if the occupation has been less than 14 years.
- If the Council wishes to terminate the lease prior to the end of the term they will need to show an explicit reason as to why this is required. Under clause 7.1 they would need to prove that there is a definitive financial plan to develop the premises and an intention to demolish and reconstruct. Such an intention would probably have to be shown at the date the break provision is exercised. Proof of intention is quite specific, including real intention, Cabinet or Committee authority, planning consent, building regulation approval, details of who would develop drawings etc. Similarly if the Council wish to exercise the break option under clause 7.2 they will need to show that it would be uneconomic to provide major capital investment to rebuild or reinstate.
- The Council would also have to give some consideration as to any outstanding contracts Sencio have entered into which can not be co-terminated to coincide with the break provision.
- If the Council wished to determine, unilaterally, the Lease (if it could not meet the requirements of clauses 7.1 and 7.2) or without the Tenant being in default then effectively this would put the Council in a breach of contract situation and a breach of its common law duty. If this were to happen several remedies are likely to be available to the Tenant, including
 - Damages for loss,
 - Specific Performance if the Council as Landlord fails to carry out its covenants under the Leases.
 - Injunction to prevent the Council determining the Leases.
 - Compensation.

Key Implications

Financial

39 The financial implications for the options detailed earlier in the report are as follows:

	Revenue (annual)		Capital (one-off)	
	Exp £000	Inc £000	Exp £000	Inc £000
Option 1	0	0	0	0
Option 2 Additional asset maintenance (average cost over 10 years)	130	0	0	0
Option 3 Sale of part of site (including demolition costs) Construction cost of new leisure centre Contribution from Sencio due to increased income Funding required		(180)	7,350	(3,000)
Total	0	(180)	7,350	(7,350)
Option 4 Sale of whole site				(5,000)

Please note that the above figures are initial estimates; further work would be required to provide more accurate information.

- 40 If the decision were made to invest in the current building (option 2), £1.3m of asset maintenance costs would be required over the next ten years which are not currently included in the Council's 10-year budget.
- 41 Completing a scheme of this size and nature can have VAT implications, so external VAT advice has been obtained to ensure that the costing for each option above assume that the most VAT efficient treatment is used.
- 42 The Council charges Sencio a peppercorn rent, this means that any expenditure incurred by the Council is classed as a 'non business supply'. Sencio Leisure currently receives a management charge from the Council of £80,950 per annum. It is proposed that if option 3 is chosen, in future they would pay the Council a management fee due to the increased surplus they are expected to achieve from a new leisure centre. By doing this, the relationship with Sencio will continue to be classed as a 'non business supply' which will result in the Council being able to recover the VAT paid on constructing the new leisure centre. If the relationship with Sencio was deemed to be 'exempt business', this would not be the case and the cost of construction would increase by £1.47m. This could occur if Sencio

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contributed in any way, e.g. by taking out a loan, to the cost of the new leisure centre.

- 43 There are a number of potential funding sources that could be used for Option 3, either individually or combined. These potential funding sources are explained below:
- a. Other parties - who would receive benefit from having a new leisure centre located in Swanley.
 - b. Sencio Leisure – the new leisure centre is expected to produce increased income and surplus compared to the current centre, which would enable Sencio to afford to pay the Council for the use of the centre. The existing surplus is set out at Appendices C1 and C2.
 - c. Borrowing – the Council is able to borrow funds from the Public Works Loans Board (PWLB). The current rate for a 20 year annuity loan is 3.01% which would result in annual repayments of £67,000 for every £1 million borrowed.
 - d. Alliance Leisure – within their feasibility study, Alliance Leisure included a funding scenario where they made a loan of £1.65m repayable at £180,000 per annum for 20 years which works out at a rate of 8%.
 - e. The Council's reserves – the vast majority of the Council's reserves are earmarked for specific purposes and to support the rolling 10-year budget. As part of the annual budget setting process, a review of reserves is carried out to ensure that funds are being used to support the Council's priorities.

Community Impact and Outcomes

OPTION 1

- 44 If the 'do nothing' option were pursued, it is expected that costs for repairs to the existing centre will increase over time and may outstrip available budget. Deterioration of the existing building over time will make it necessary to close the centre, or parts of the centre, within 5 years.
- 45 Closure of the centre would cause some hardship in Swanley. Families on low income, older people and those with disabilities would be hardest hit, as these groups have lower car ownership and are less able to travel to alternative facilities. These impacts are set out under Option 4.

OPTION 2

- 46 Investing in the existing building would slow the deterioration of the building and prolong the life of the centre. However, in time, it is expected that parts or the whole of the building may become unusable or require rebuilding.

OPTION 3

- 47 Provided the replacement of the existing building did not necessitate a temporary closure of the leisure centre, there should be no adverse community impact and, following the provision of a new building, the community would enjoy a sustainable leisure facility in the future.

OPTION 4

48 Closure of the centre would cause some hardship in Swanley. Families on low income, older people and those with disabilities will be hardest hit, as these groups have lower car ownership and are less able to travel to alternative facilities.

49 Swanley residents would need to travel outside the Sevenoaks District to reach the nearest public leisure centres:

Leisure Centre	Distance from Swanley	Time taken on public transport	Return Cost (Adult/Child)
Dartford Fairfield Pool & Leisure Centre, DA1 1JB	4.8 miles (25 minutes by car)	27 mins by 477 bus (stops close to leisure centre)	£6.20/£3.10 Off peak cheapest fare
Orpington Walnuts Leisure Centre, BR6 0TJ	5.8 miles (30 minutes by car)	29 mins by 477 bus (stops close to leisure centre)	£6.20/£3.10 Off peak cheapest fare
Bromley Pavilion Leisure Centre, BR1 3EF	8.3 miles (38 minutes by car)	11 mins by train to Bromley South (then 0.5 mile to leisure centre on foot)	£4.20/£2.10 Off peak cheapest fare

50 Although current swimming pool provision in the Sevenoaks District outstrips demand, it is likely that the closure of White Oak Centre would lead to a shortfall in the supply of public swimming pool space.

51 Closure of the leisure centre would have an impact on the Sevenoaks District Community Action Plan 2010-13. The following priority outcomes are likely to be affected:

- 1.2 A low overall crime rate: Closure would remove diversionary activities for young people and may lead to increased levels of crime and anti-social behaviour.
- 2.3 Healthier lifestyles for those over 50: Residents over 50 would no longer have access to leisure facilities. Those reliant on public transport may have difficulties reaching other facilities.
- 3.3 Increased opportunities for children and young people to take part in physical activity: Children and younger people would no longer have access to local leisure facilities and may need to travel considerable distances to reach comparable facilities.

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- 3.5 Health of primary school aged children improved: Many schools may no longer have access to swimming facilities.
- 4.2 Increased participation by younger people in positive activities: Many young people would no longer have access to leisure facilities. There may be a drop in participation figures for young people.
- 6.1 Increased carbon (CO2) savings: Closure of leisure facilities may lead to additional road journeys as residents travel to alternative facilities.
- 7.2 Improved weight management: A drop in leisure usage following closure may lead to increased levels of obesity amongst children and adults.
- 7.6 Increased adult participation in sport and active recreation: There may be a significant drop in adult sport recreation.
- 10.2 Reduced road congestion in the Sevenoaks District: Closure may lead to longer or additional road journeys as residents travel further afield to reach alternative facilities.

Key Statistics & Health Inequalities

- 52 Sevenoaks District Disadvantage Profile 2011 sets out key statistics for the Sevenoaks District by ward. Swanley St Mary's and Swanley White Oak wards have the highest percentage of households in poverty in the Sevenoaks District and a higher percentage compared to the national average. Swanley St Mary's ward is one of the 20% most deprived wards in Kent.
- 53 Sevenoaks District Health Inequalities Profile 2010 sets out major health inequalities in the Sevenoaks District, identifying the main health issues affecting the population by wards. For long term health outcomes in children, Swanley St Mary's and Swanley White Oak wards have the children with the poorest health outcomes in the District.
- 54 Smoking is strongly associated with deprivation, and has a higher prevalence in the more deprived wards of Swanley St Mary's and Swanley White Oak.

Legal, Human Rights etc.

- 55 **Option 1 - Do nothing:** The lease would run on unimpaired.
- 56 **Option 2 - Invest in the existing building:** There is a duty on Sencio to maintain the interior of the premises. SDC are under a duty to maintain the structure of the building and plant. SDC's obligations could be quite onerous in that it is a continuing liability were it not for the provision of clause 7.2 which allows determination of the lease where it becomes uneconomic. SDC would have a legal obligation to carry out repairs to the structure and plant that are economically viable and Sencio to repair the interior.
- 57 **Option 3 - Replace existing building:** SDC could rely on clause 7.1 in this regard.

- 58 **Option 4** – Close leisure centre: SDC would need to show an economic reason for this and rely on clause 7.2 of the lease.

Resource (non-financial)

- 59 Closure of White Oak Leisure Centre may have an impact on Sencio’s business and viability.
- 60 Staff Issues: If option 3 were agreed, then rebuilding of the leisure centre would be the largest building project undertaken by Sevenoaks District Council for many years. This may have an effect on staff workload.

Value For Money and Asset Management

- 61 Since the year 2000 the asset maintenance funding available for Council property assets has been set at approximately 40% of identified works based on the 10 year condition survey.
- 62 Under the terms of the lease of the premises to Sencio Community Leisure the District Council is responsible for maintaining the structure and main plant (including renewal of plant where necessary) and the current years asset maintenance for all Sencio property is £92,000 (this sum having being reduced incrementally over the last 2 years from an annual allocation of approximately £200,000. Of the annual allocation approximately 50% is invested in White Oak Leisure Centre i.e. approximately £46,000 p.a.
- 63 The asset maintenance funding is to ensure that the property remains a safe environment for the public users and to ensure that income generation can continue for the centre operators.
- 64 With maintenance running at only 40% of the identified need for the last 10 years, certain elements of the facility have deteriorated and, although all facilities in the centre have been kept available for public use, this has been achieved by diverting funding from other requirements, which do not have an immediate impact on service delivery.
- 65 A number of major maintenance issues for the future have been identified and it is estimated that in addition to the current asset maintenance funding allocation some £1.3m will need to be invested in the property over the next 10 years.

Equality Impacts

- 66 A full Equality Impact Assessment has been undertaken, separately circulated to Cabinet, and is summarised below:

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	Yes	<u>Age:</u> Options 1 and 5 – older people may not have access to fitness activities and this may affect their health and wellbeing.

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Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
against different groups in the community?		Options 2, 3 and 4 – may improve and extend facilities for older people, although there may be some disruption during any building works.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	<p><u>Disability:</u> Options 1 and 5 - Existing courses and activities that benefit people with disabilities may no longer be available, which may affect their health and wellbeing. Options 2, 3 and 4 - may improve and extend facilities for people with disabilities, although there may be some disruption during any building works. Access may be improved, eg removal of existing steps etc</p> <p><u>Residents on low income from deprived neighbourhoods:</u> Options 1 and 5 may affect these groups more severely as people on low incomes may not be able to afford to pay for or travel to alternative facilities. Options 2, 3 and 4 – these groups may benefit from improved facilities</p> <p>Evidence: Equality Impact Assessment</p>
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		Options may need to consider alternative arrangements from being put in place.

Sustainability Checklist

67 A sustainability checklist for each Option has been separately circulated to Cabinet in advance.

Conclusions

68 A summary of the implications of each of the 4 options is given at Appendix C. Members' instructions are sought regarding further work to be undertaken in pursuit of options.

RISK ASSESSMENT STATEMENT

	Risk	Mitigation
Option 1	<p>Risk to the Council of not adequately maintaining a public building.</p> <p>Failure to provide leisure facilities in the area if leisure centre has to be closed.</p> <p>Failure to meet conditions of lease.</p>	<p>Continue to make short-term repairs. Unplanned expenditure may be necessary to maintain safety.</p> <p>Continue to investigate alternative proposals.</p>
Option 2	<p>Sufficient funding may not be available to maintain the building.</p>	<p>Build additional revenue expenditure of a minimum of £130,000 per year into future budget years.</p>
Option 3	<p>Not being able to find sufficient funding for the work.</p> <p>Sencio currently receive 80% mandatory and 20% discretionary relief for their premises, the council funds an element of the discretionary relief. The rules on the funding of reliefs are currently being amended as part of the new Business Rates Retention regulations. There is currently uncertainty about the effects of this in particular for new premises which may result in an additional cost to the council.</p>	<p>Identify funding including an appropriate contingency sum in advance.</p> <p>Continue to monitor new regulations</p>
Option 4	<p>Failure to provide appropriate leisure facilities for the area, failure to provide appropriate level of swimming space. Failure to address equalities issues.</p>	

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Appendices

Appendix A - White Oak Leisure Centre – possible sites

Appendix B – White Oak Leisure Centre Customer Postcode Locations

Appendix C (Gold) – Financial Summaries

Background Papers:

Sport England Profiling Report in 2011 on Sports Hall Provision in Sevenoaks District

Sport England Profiling Report in 2011 on Swimming Pool Provision in Sevenoaks District

Contact Officer(s):

Lesley Bowles, ext 7335

Jim Latheron, ext 7209 (Property)

Graham Grove, ext 7401 (Legal)

Adrian Rowbotham, ext 7153 (Finance)

Simon Davies, ext 7374 (Leisure).

Kristen Paterson

Deputy Chief Executive and Director of Community & Planning Services

Dr. Pav Ramewal

Deputy Chief Executive and Director of Corporate Resources

WHITEOAK LEISURE CENTRE, SWANLEY – POSSIBLE SITES

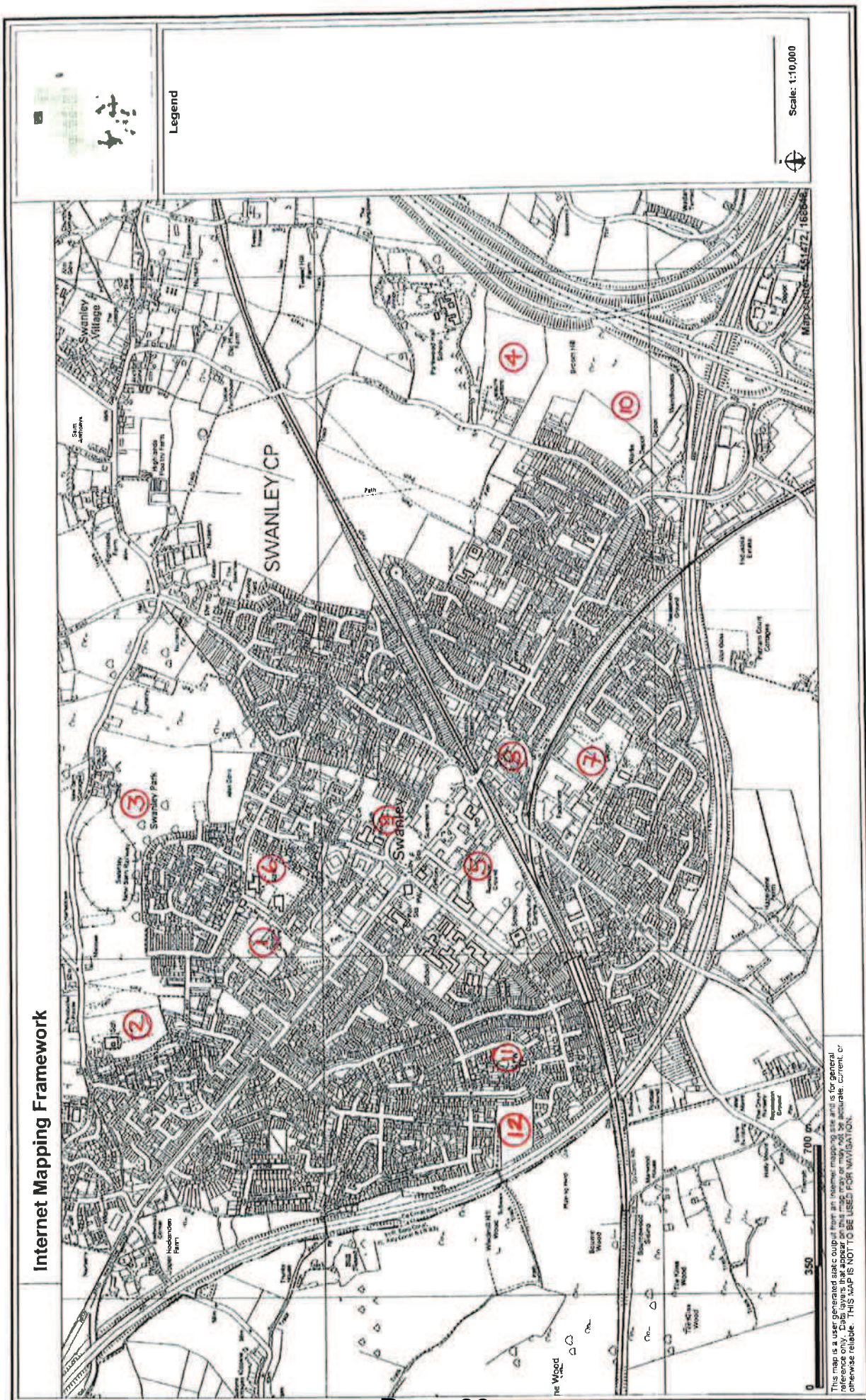
No.	ADDRESS	DESCRIPTION	PLANNING STATUS & COMMENTS	COMMENTS
1	Whiteoak Leisure Centre, Hilda May Avenue, Swanley	Existing leisure centre, with 33 metre pool, diving pit and flumes	Existing use Within built up confines of town Residential development would be acceptable on land no longer required for the replacement facility. Planning could comment on the appropriate scale and form to help identify numbers.	(a) 2.4 ha (b) 0.57 ha Owner: SDC (leased to Sencio Leisure) redevelopment Existing leisure use, site could support smaller leisure centre (3,000m ² footprint) plus an element of enabling development (residential) but would create a funding gap. No site acquisition costs. Can be design around existing bowls centre
2	Birchwood School, New Barn Road, Swanley	Disused school and playing field	Metropolitan Green Belt. Any development on this site should have no greater impact on the openness of the Green Belt than the existing.	2.9 ha Owner: KCC Development may be restricted to existing footprint (approx. 1,300m ²) Little chance of residential enabling development Owned by third party therefore acquisition costs Possible need for road improvements
3	Swanley Park, New Barn Road, Swanley	Open air leisure facility	Metropolitan Green Belt Local Landscape Importance As this is built leisure development it would only be acceptable on an undeveloped Green Belt site if exceptional circumstances could be shown. Given that there is an existing	17.6 ha Owner: STC Unlikely to be able to support built facility if other sites available Owned by third party therefore acquisition costs Possible need for road improvements

	occupied site within the urban area I do not see that such circumstances could be demonstrated.		
<p>4</p> <p>Olympic Centre, Beechenlea Lane, Swanley</p>	<p>Sports and golf complex</p>	<p>Metropolitan Green Belt Local Landscape Importance Any development on this site should have no greater impact on the openness of the Green belt than the existing.</p>	<p>5.4 ha Owner: STC Development may be restricted to existing footprint (approx. 600m²) Little chance of residential enabling development Owned by third party therefore acquisition costs Probable need for road improvements requiring other land</p>
<p>5</p> <p>Swanley Centre and St Mary's Recreation Ground, Swanley</p>	<p>Shopping, office and residential plus formal recreation to rear</p>	<p>(a) A1, 2,3, with leisure, residential, business on upper floor (b) Important Area of Green Space In planning terms a town centre location would be supported in principle provided it is consistent with maintaining town centre vitality and viability. The recreation ground is protected open space – notwithstanding ownership issues any proposal to build on it would need to include replacement open space of equivalent value.</p>	<p>(a) 2.0 ha (b) 2.7 ha Owner: (a) DS (No5) Ltd (b) STC (a) Is important mixed town centre use, incorporating leisure in redevelopment of part has effect on freeholders value, will involve acquisition costs. Owner would require trade off to redevelop Whiteoak site for large food retail outlet (80,000 ft² and petrol filling station) – unlikely (b) Unlikely to be able to support built facility if other sites available. Owned by third party therefore acquisition costs</p>
<p>6</p> <p>The Willows, Northview,</p>	<p>Informal amenity adjoining school</p>	<p>Important Area of Green Space No scope for leisure centre</p>	<p>1.25 ha Owner: KCC</p>

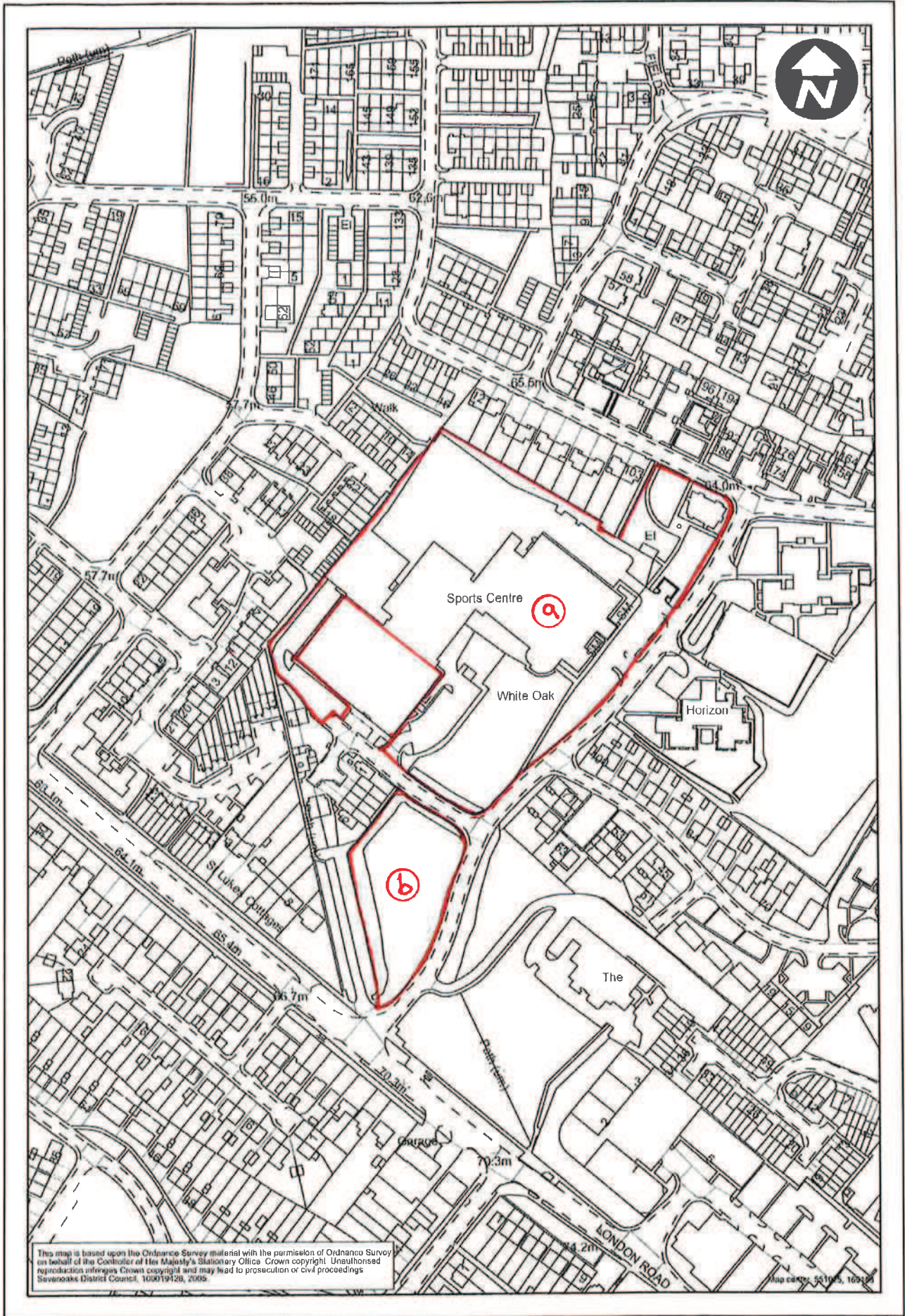
7	Swanley United House	Employment/manuf acturing use	development. Within business area. The Allocations and Development Management DPD is proposing either a substantial residential or mixed use development of the site. This is an important part of our future housing land supply.	Unlikely to be able to support built facility if other sites available Owned by third party therefore acquisition costs
8	Bevan Place Car park and Swanley Club, High Street, Swanley	Public car park and private members club with car park	(a) Residential allocation (b) Outside defined town centre The Allocations and Development Management DPD is proposing a development of 46 units on this site. Any alternative leisure centre scheme would need to replace the housing. Subject to this a leisure centre scheme would be acceptable in principle.	2.0 ha Owner; United House Ltd Possible future development for mixed employment/residential use could create land values almost double that of existing Whiteoak site. (a) 0.25 ha (b) 0.2 ha Owner: (a) SDC (b) Swanley Club (a) Identified for residential development in Local Plan (b) Owner keen to redevelop for smaller club facility Both sites – could create advantageous combined development of replacement leisure centre and club and release Whiteoak site for residential development. Third party owner would require value and reduced facility . Combined site would be too restricted for combined facility and only provide limited parking provision. Access from public highway probably limited to Bevan Place which is very restricted. Unlikely to be financially viable given the third party ownership.

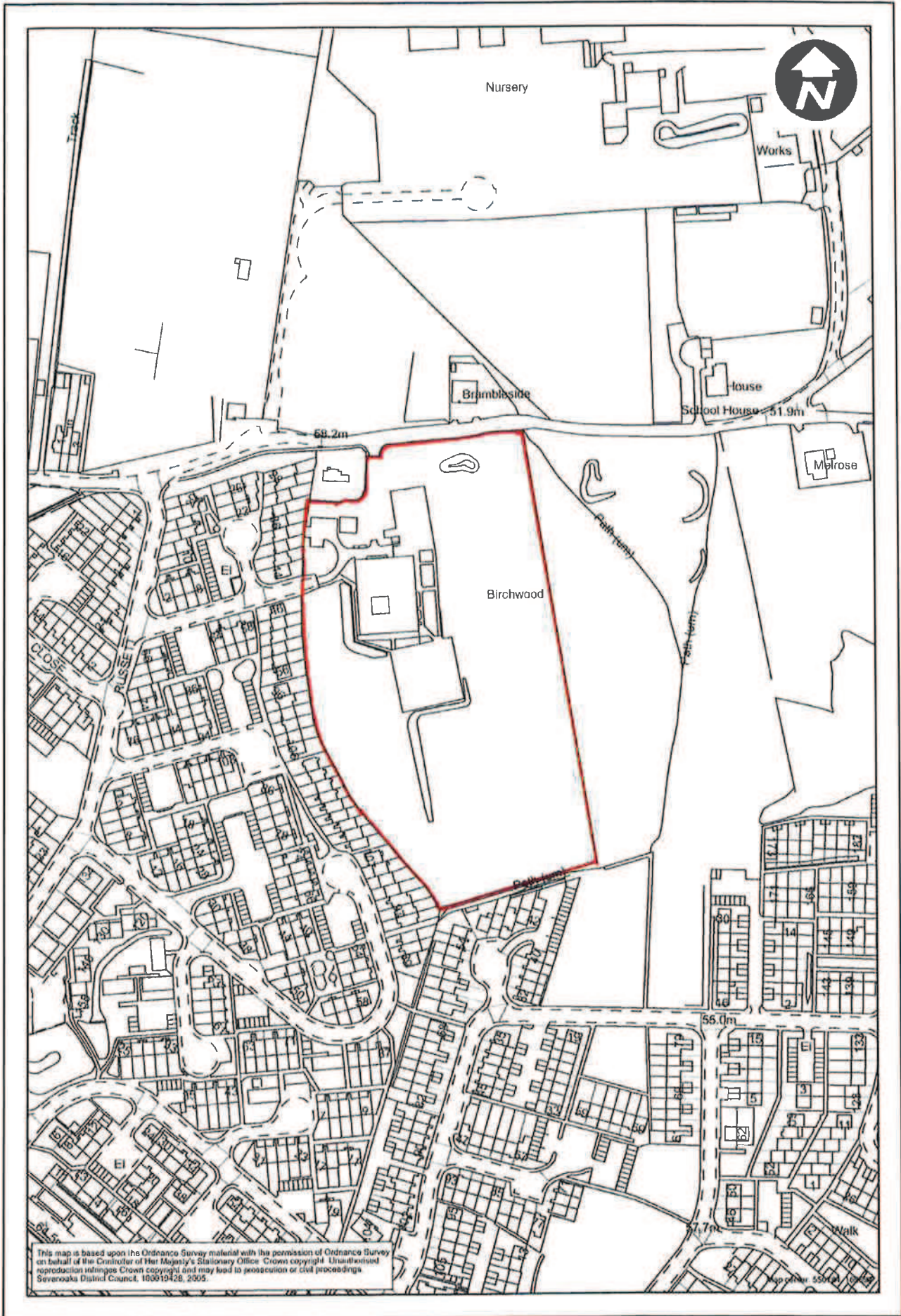
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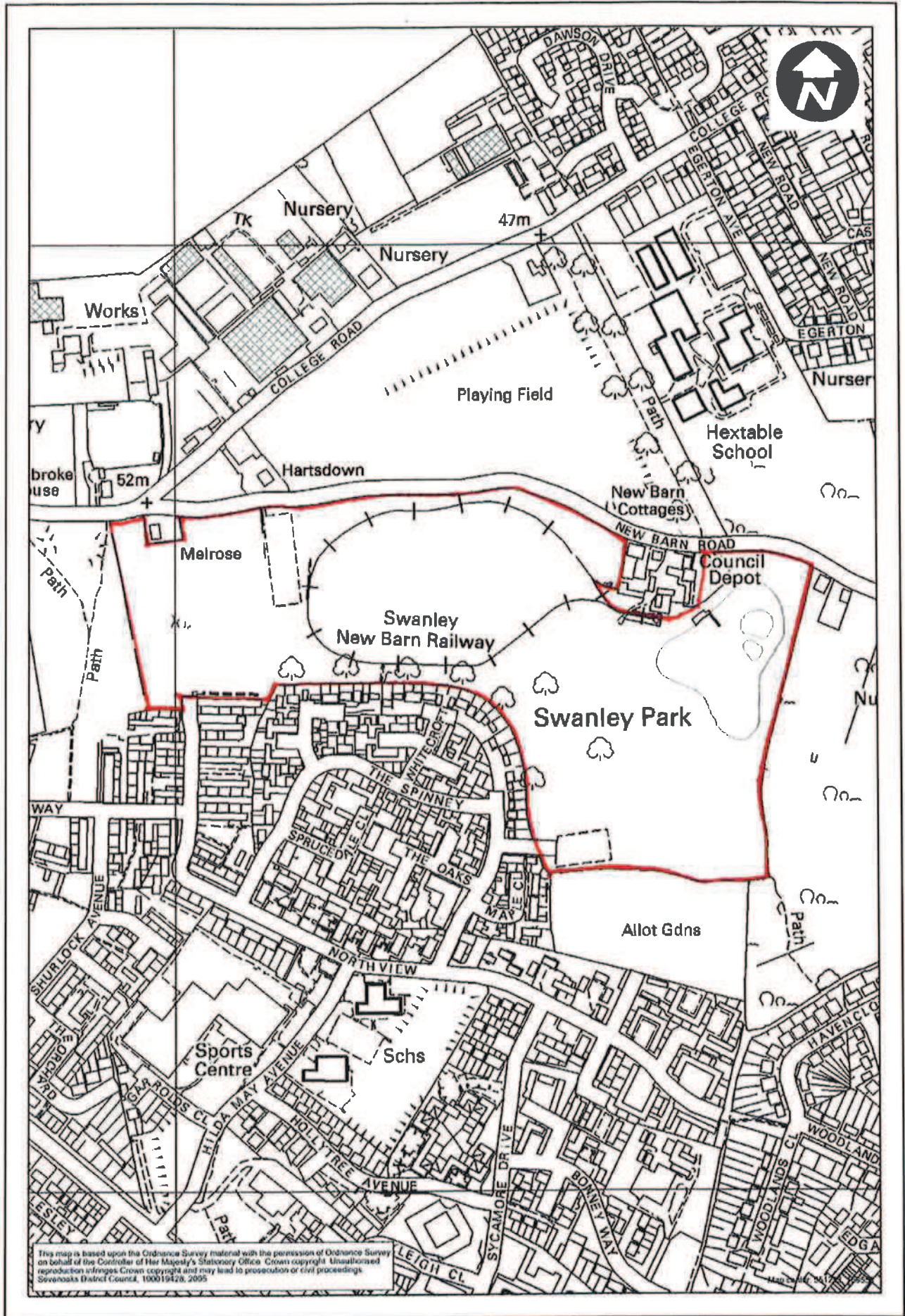
9	Bartholomew Way, Swanley	Formal amenity area	Important Area of Green Space No scope for leisure centre development.	0.5 ha Owner: SDC Unlikely to be able to support built facility if other sites available Small site, therefore parking issues. Access from main road issues
10	Broomhill, Swanley	Existing employment and development land	Identified for 22,300m ² of business development. . The Allocations and Development Management DPD is likely to propose that part of the site is developed for employment purposes for which there is an identified need and the rest is kept for open space. No remaining scope for a leisure centre development.	9.5 ha Owner: private Current development potential would render any land within the site as too expensive for leisure development. Access limited to London Road
11	Cherry Avenue, Swanley	Informal recreation/amenity area	Important Area of Green Space. No scope for leisure centre development.	0.49 ha Owner: SDC Unlikely to be able to support built facility if other sites available Small site, therefore parking issues. Access is by way of estate roads through residential areas
12	Field West of Cherry Avenue, Swanley	Informal amenity land	The Allocations and Development Management DPD will propose part of this site for residential and part for open space. No scope for leisure centre development.	1.56 ha Owner: to be identified Unlikely to support leisure development given proposed allocation and access

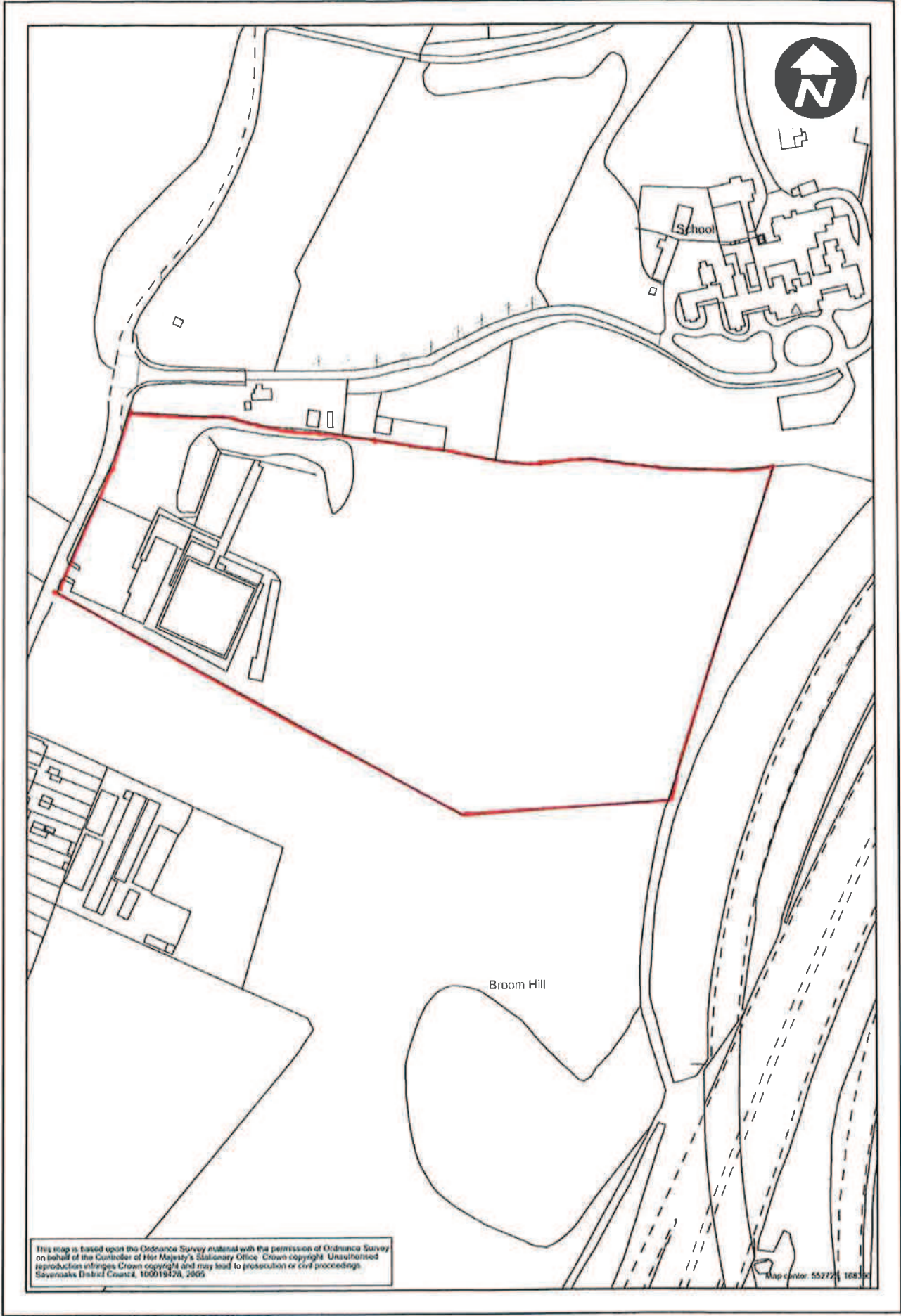


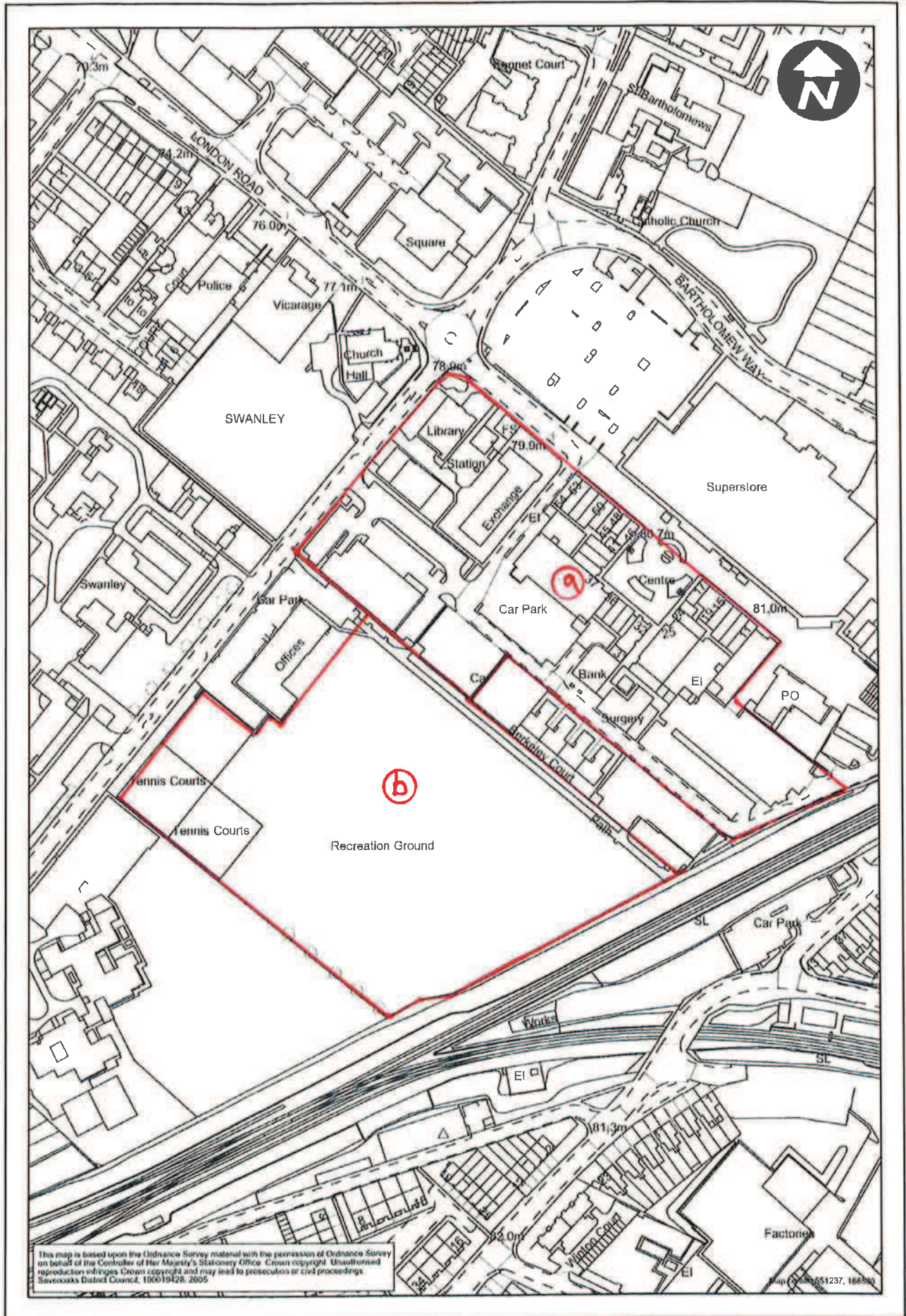
Internet Mapping Framework

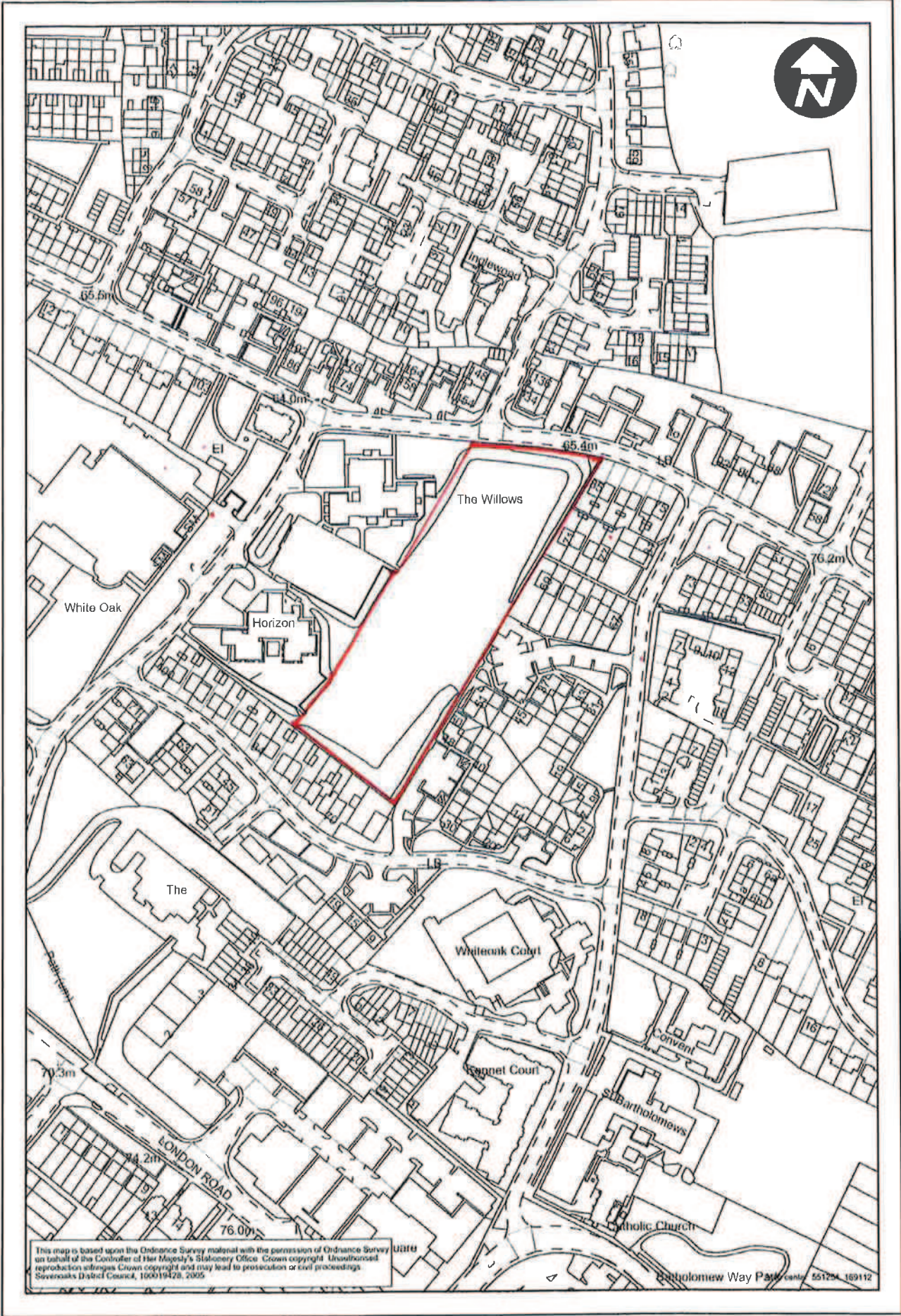


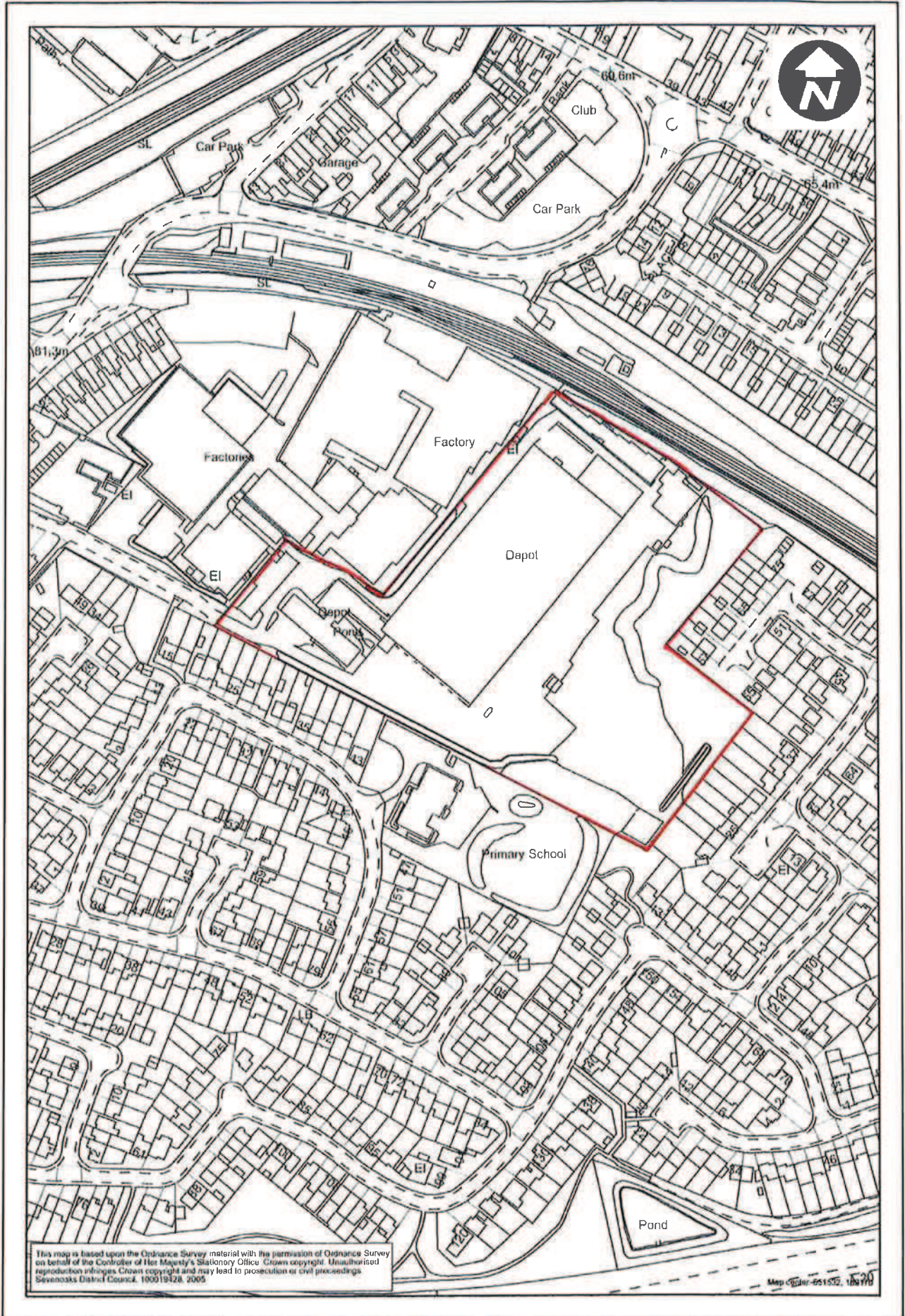


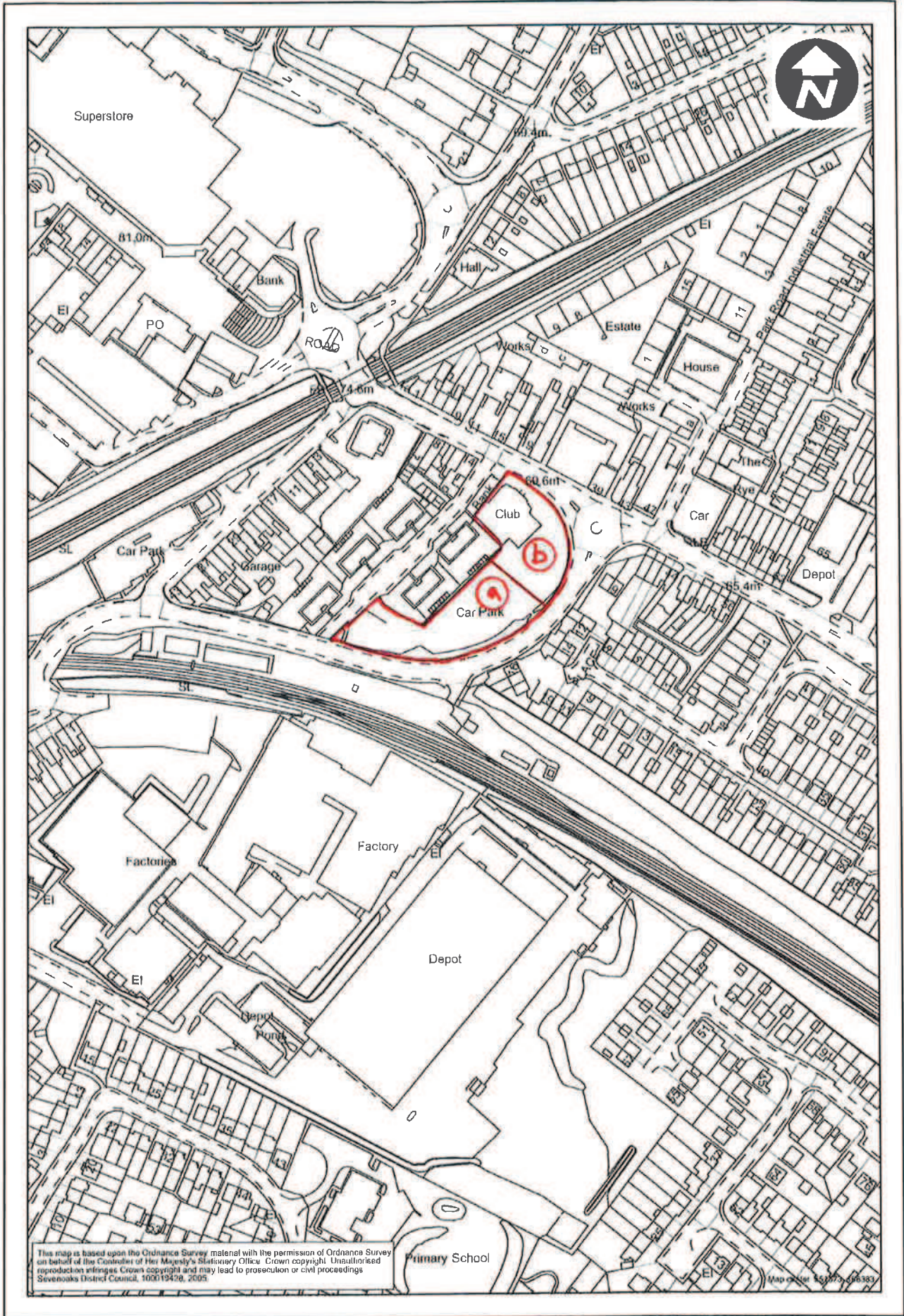


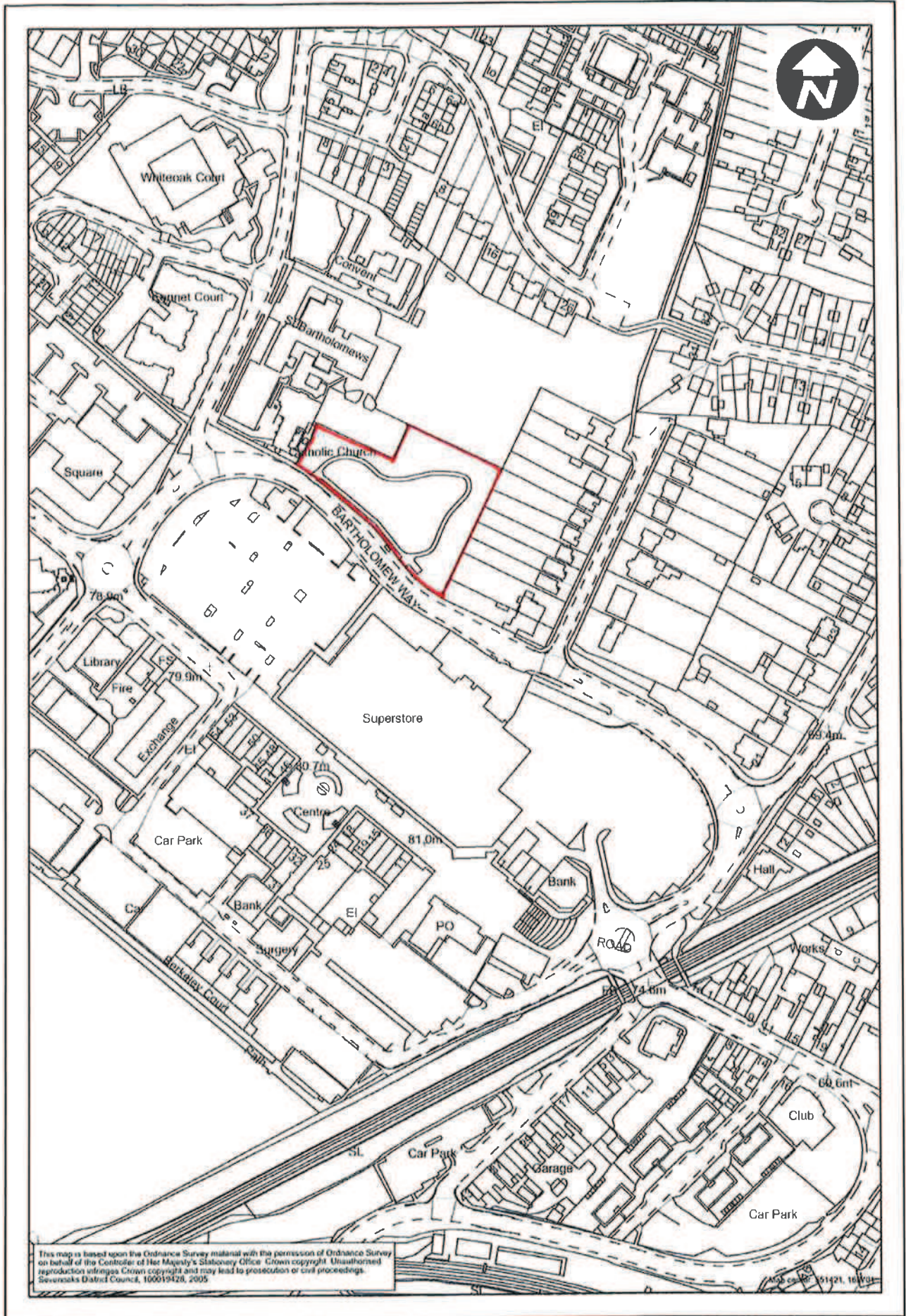


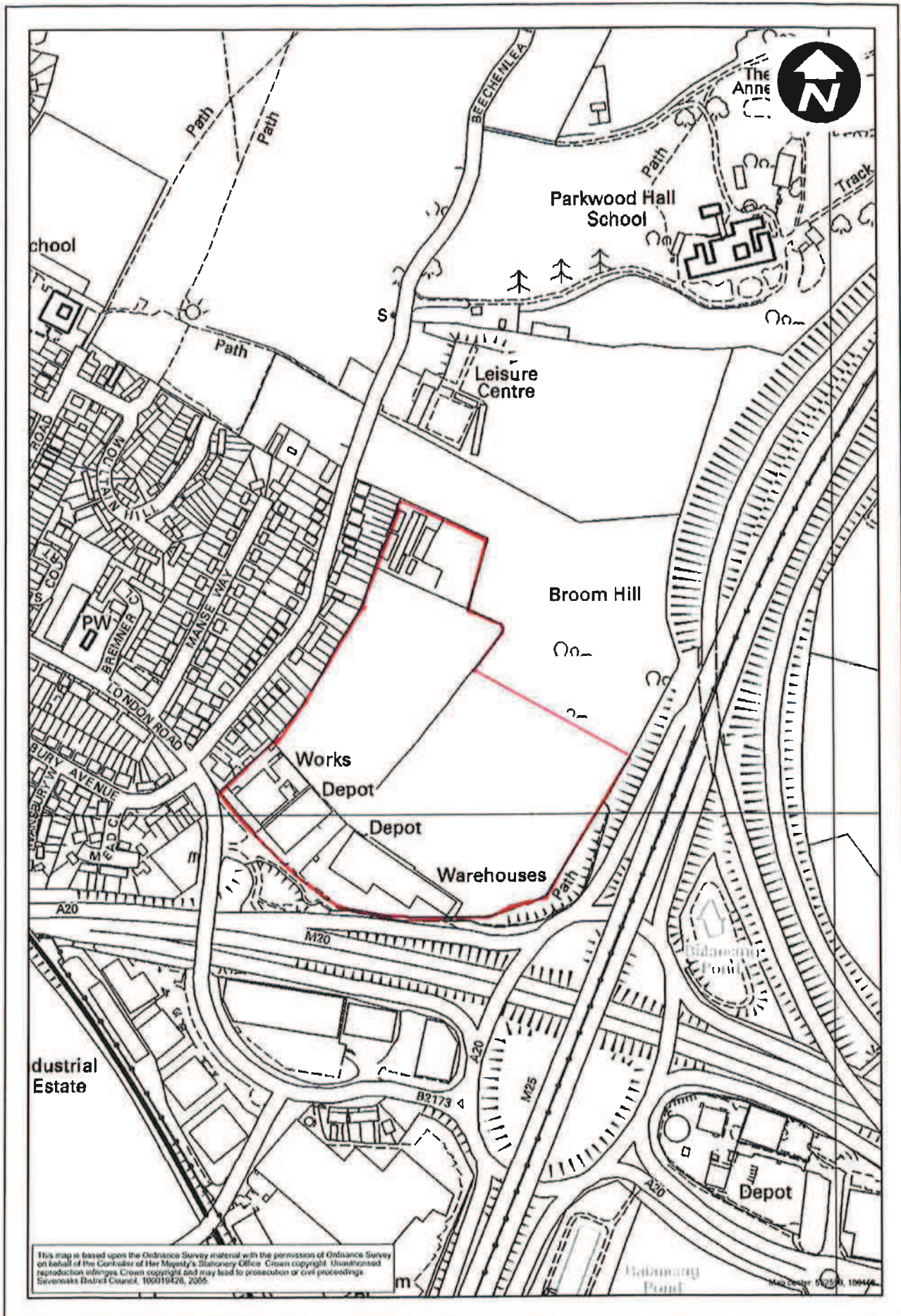




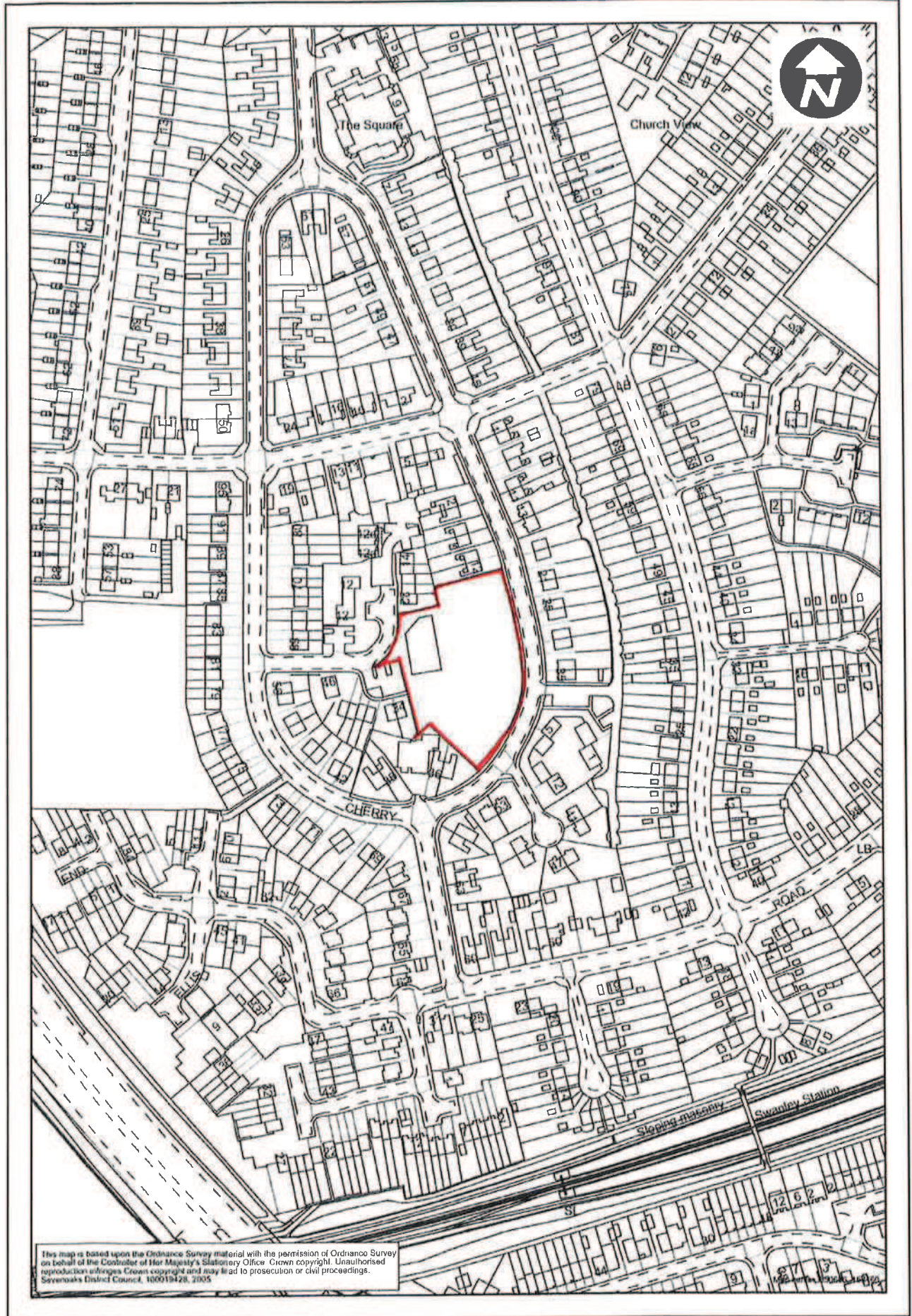




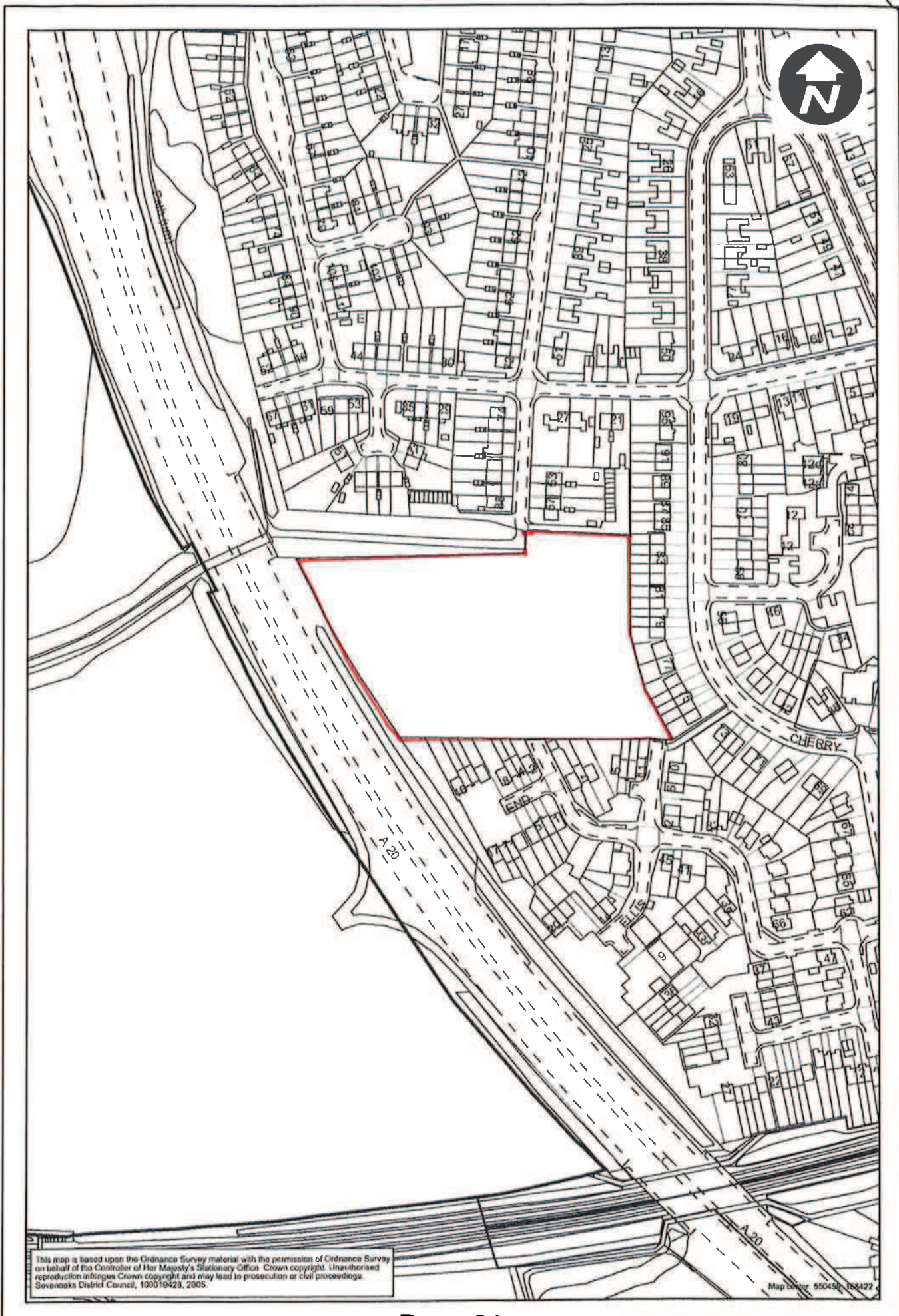




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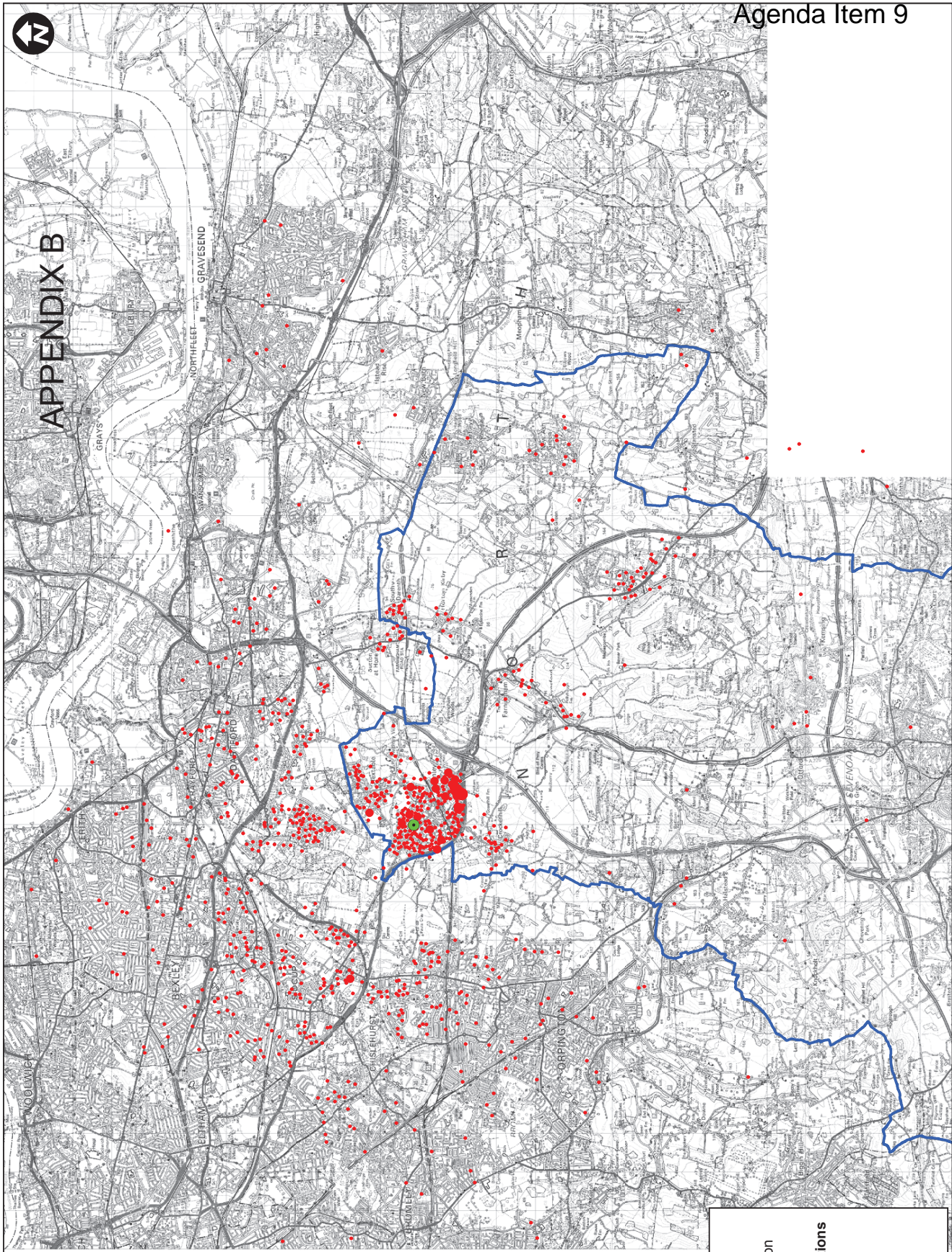
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APPENDIX B



Legend

- White Oak Leisure Centre Location
- SDC Boundary
- White Oak Customers Postcode Locations**
- No. of Customers per postcode
- 1 - 10
- 10 - 20
- 20 - 31

White Oak Leisure Centre Customers

Postcode Locations

Scale: 1:100,000
Date: July 2011



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