

FINANCE AND RESOURCES ADVISORY COMMITTEE

12 November 2013 at 7.00 pm
Conference Room, Argyle Road, Sevenoaks

AGENDA

Membership:

Chairman: Cllr. Ramsay Vice-Chairman: Cllr. McGarvey
Cllrs. Mrs. Bayley, Brookbank, Cooke, Mrs. Davison, Edwards-Winsler, Scholey and Walshe

	<u>Pages</u>	<u>Contact</u>
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Committee held on 29 August 2013, as a correct record	(Pages 1 - 6)	
2. Declarations of Interest Any interests not already registered		
3. Actions from Previous Meeting	(Pages 7 - 8)	
4. Update from Portfolio Holder		Councillor Brian Ramsay
5. Referrals from Cabinet or the Audit Committee (if any) None		
6. Capita Asset Services To discuss treasury management		
7. Treasury Management Mid Year Update	(Pages 9 - 24)	Roy Parsons Tel: 01732 227204
8. 2014-15 Budget and Review of Service Plans	(Pages 25 - 52)	Adrian Rowbotham Tel: 01732 227153
9. Members' IT Working Group - Feedback Verbal update		Jim Carrington-West Tel: 01732 227286
10. Shared Services	(Pages 53 - 56)	Helen Martin Tel: 01732 227483
11. Financial Results 2013/14 - to the end of September 2013	(Pages 57 - 82)	Helen Martin Tel: 01732 227483

12. **Financial Performance Indicators 2013/14 - to the end of September 2013** (Pages 83 - 86) Helen Martin
Tel: 01732 227483
13. **Work Plan** (Pages 87 - 88)

EXEMPT ITEMS

(At the time of preparing this agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public.)

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 Contact Officer named on a report prior to the day of the meeting.

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

The Democratic Services Team (01732 227241)

FINANCE AND RESOURCES ADVISORY COMMITTEE

Minutes of the meeting held on 29 August 2013 commencing at 7.00 pm

Present: Cllr. Ramsay (Chairman)

Cllr. McGarvey (Vice-Chairman)

Cllrs. Mrs. Bayley, Brookbank, Mrs. Davison and Scholey

Apologies for absence were received from Cllrs. Cooke, Edwards-Winser and Walshe

Cllrs. Firth, Grint and Mrs. Sargeant were also present.

11. Minutes

Resolved: That the minutes of the meeting of the Finance and Resources Advisory Committee held on 4 June 2013 be approved and signed by the Chairman as a correct record.

12. Declarations of Interest

No declarations of interest were made.

13. Actions from Previous Meeting

The completed actions were noted.

14. Update from Portfolio Holder

The Chairman, who was the Portfolio Holder for Finance and Resources, updated the Committee on his work since the previous meeting of the Advisory Committee.

He had received regular financial updates and spending was on target. There was an item of underspend in Community Development on the maintenance of the Youth Bus contracted to Kent County Council. The Chairman had since suggested that the bus should no longer be provided for free.

Investment returns were still low. The Chairman had proposed that Sector attend the next meeting of the Committee. Financial Prospects would be considered under minute item 17 but the Chairman explained that the Cabinet had tried to give the best presumptions possible by taking a pessimistic approach. Although the 10-year budget showed a shortfall of £0.667m he considered this figure to be manageable.

There had been difficulties in the sale of 12 Knole Way to the tenant linked to the tenant also trying to purchase a related strip of land. The tenant had since abandoned this. The Chairman intended to amend the programme for reporting on the White Oak Leisure Centre, Swanley. The intention was now to make a first assessment for the cost of updating the present centre, including asset maintenance for ten years. The second

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stage would be to use this cost as a benchmark to compare against the cost of a new leisure centre at one of the three sites identified. The item would not be brought before Members until costs had been independently assessed.

15. Referrals from Cabinet or the Audit Committee (if any)

There were none.

16. Annual Treasury Management Report 2012/13

The Principal Accountant introduced the item and advised it was being presented to Members in compliance with the CIPFA Code of Practice. The report set out the Council treasury's performance during the year 2012/13 and compared it to the strategy.

The previous year had been challenging. Consequently the Council had restricted the number of counterparties lent to and accepted lower rates of return. It was pleasing that the interest budget had been exceeded by approximately £117,000 and the percentage return exceeded the recognised benchmarks.

The Council had received 3 dividend payments for the recovery of monies from Landsbanki Islands hf, totalling 50% of the outstanding sum. Recovery was continuing and it was expected the final return would be close to 100% of the Council's investment together with interest up to 22 April 2009. Small payments would be made to the Council as assets were realised, though there were moves from the administrators to renegotiate the date of bond repayments.

The Advisory Committee noted the average investment return for neighbouring authorities was higher than for Sevenoaks District Council. The Principal Accountant suggested that this could be explained through how the figures were compiled and through specific exceptional borrowing circumstances at Tunbridge Wells Borough Council.

Resolved: That Cabinet be asked to approve the Annual Treasury Management Report for 2012/13.

17. Financial Prospects and Budget Strategy 2014/15 and Beyond

It was the fourth year of the current Business and Financial Planning Strategy, which included the 10-year budget. The Group Manager – Financial Services considered that the strategy was successful and the Council's external auditors, Grant Thornton, had also reflected this view in their audit report.

Since it was agreed by the Council in February, a number of changes had been made to the 10-year budget and each change was explained. The existing 10-year budget had been rolled on a year. Pay inflation had reduced to 1% in 2014/15 and 2015/16, 1.5% in 2016/17 and 2017/18 and 2% in later years. Central Government had announced a reduction in Government Support of 10% in 2015/16, however the likely protection of education and adult social care meant the District Council could face cuts in its support of approximately 18% in 2015/16. The New Homes Bonus was now expected to continue after 2016/17, however the Government had also announced that 40% of the fund would be utilised for the Single Local Growth Fund. The assumptions for council tax

have reduced so that they were more in line with inflation though council tax levels were ultimately a Member decision..

In response to a question, the Chairman stated that there was contingency within the Action and Development Reserve for disasters. Officers added that this reserve could be replenished when the reserves were considered later in the budget process.

Staff pay increments would continue but following the review of staff terms and conditions two years ago they had reduced and were expected to diminish further. This had been taken account of in the savings. The reforms around the introduction of the Universal Benefit were still noted as a risk.

Concerns had been raised at comments from the Secretary of State for Communities and Local Government that the Council should seek to reduce income from car parking. It was clarified that the Secretary of State's concern was on-street parking, monies from which were tightly controlled. There was no risk to monies from car parks. In February 2013 the former Portfolio Holder for the Cleaner and Greener Environment had stated that on-street car parking costs in the district were neutral.

It was presumed that £520,000 would be contributed to fund a deficit in the Superannuation Fund following the triennial valuation to be held in November 2013. This presumption had been made prior to the adoption of new actuaries, Barnett Waddingham, who held their first valuation in November 2010. Although the last valuation was an improvement on previous ones, the Council had allowed the assumption of a £520,000 deficit to slip by 3 years in case the last valuation was exceptional. The Chairman was concerned that Gilt yields had been suppressed and the Kent County Council pension fund was becoming a more mature one.

Public Sector Equality Duty

Members noted that there were no adverse equality impacts arising from the report.

Resolved: That Cabinet be advised on the Advisory Committee's views on the ten-year financial planning approach and principles set out in the report.

It was noted that 10-year budget strategies were recommended practice but other Local Authorities were still reluctant to adopt them. Such a strategy required cuts to be made earlier or else the budget would show a large deficit.

18. Financial Results 2013/14 - to the end of July 2013

The Finance Manager advised that there was an estimated favourable year-end forecast of £80,000 with a £41,000 favourable variance for investment income. As at the end of July 2013 the main income streams were achieving or exceeding budget, with the exception of car parking. Property related incomes were considered vulnerable and were being monitored. A staff pay rise in 2013/14 of 1% had been approved and would be paid from October 2013 backdated to April.

The Head of Environmental and Operational Services confirmed that financial viability of the trading accounts was heavily affected by fuel costs. A recent fire at the Dunbrik waste transfer station meant that Direct Services vehicles would need to travel either to Pepper

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Hill or North Farm, but any additional costs on time or fuel arising from the fire would be recoverable from Kent County Council.

It was expected that Grant Thornton would provide an unqualified opinion on the accounts.

Members asked that the risk areas be quantified and added to the reports in future.

Action 1: That the Finance Manager quantify risk areas in future Budget Monitoring reports.

The £42,000 of unidentified income for the Licensing Partnership was proving difficult to achieve. Fees set nationally did not cover the full cost of delivering the service.

Savings had been made in operational services through the use of agency staff. The Head of Environmental and Operational Services considered agency staff to be cheaper than a pool of permanent floating staff. Agency staff were only used to cover leave and absence from sickness. Although Green Waste services had a positive variance, this was a matter of timing and was forecast to be negative by year-end. Pest control services had a good income of £10,000 in July 2013 alone, but they were still not expected to meet budget target. A report would be going to the Local Planning and Environment Advisory Committee on the future of the pest control service.

The Council was subject to additional costs of debit and credit card transactions as more customers paid using these. The Council was not passing the fees on as the Council sought to encourage payment from customers.

Car parking had experienced a reduced income in July 2013 but this was the first month below target this year and it was put down to seasonal factors. Due to the redevelopment in London Road the Council could no longer operate parts of the Pembroke Road and Bligh's car parks. If the parking from these sites was not absorbed elsewhere it would result in a loss to the Council of £120,000. Further parking data would be available once the live parking signage was introduced in November 2013. This data would help to inform the review of parking being undertaken by the Scrutiny Committee. Members noted that long term trends in online shopping and the cost of petrol could lead to a reduction in town centre parking.

Resolved: That the report be noted.

19. Financial Performance Indicators 2013/14 - to the end of July 2013

The Finance Indicators provided a snapshot of the key internally set performance indicators as at the end of July 2013. The report was corrected in that the target for Monthly Investment Balance should read as £33,973,000, with a variance of 8.7%.

It was explained by the Group Manager – Financial Services that the target for Council Tax payers on Direct Debit had been reduced from 77% to 70% as there were a greater number of Council Tax payers since the introduction of Council Tax Support and it was expected that they would be less likely to pay by Direct Debit. This had not been realised.

Resolved: That the report be noted.

20. Procurement Strategy Update

The Council's existing Procurement Strategy had been adopted in September 2013. The Council's Officer Procurement Group had since kept the Strategy under review and 3 principal changes had been proposed to ensure that it complied with relevant legislation, best practice and that it supported the Council in achieving its priorities.

The three adjustments were: to update the Council Vision and Promises in line with those adopted by Council; to add a Social Value principle to reflect The Public Services (Social Value) Act 2012; and the introduction of an Effective Practice and Decision Making section, incorporating the content from the previous Procurement Principles section.

The Public Services (Social Value) Act 2012 required the Council to take account of how what was procured may improve the social, environmental and economic wellbeing of the District. It would apply to the largest, EU-level public services contracts and framework agreements. The revised Strategy would form part of the rules employed by Officers together with the Finance Procedure Rules and Contract Procedure rules.

The Head of Environmental and Operational Services advised that it was difficult to give these elements practical effect in most procurement exercises. The drive for austerity meant that the weighting given to cost was increasing from 60% to 70%. For some matters, there was also only a limited number of suppliers.

In May 2013 the Audit Team had carried out an audit of procurement and the Council's processes were considered adequate, with the primary concern being the recruitment of agency staff. The Advisory Committee was informed that the Direct Services Team would use a range of agencies and they competed against each other. The Council did use Kent Top Temps, owned by Kent County Council, as one of the agencies. The Head of Environmental and Operational Services did not seek to use staff on zero-hour contracts.

Resolved: That Cabinet be recommended to adopt the updated Procurement Strategy

21. Work Plan

The Chairman of the Members' IT Working Group advised the meeting that the Group intended to bring the IT Disaster Recovery Plan before it in November 2013.

The Chairman suggested that Sector would be invited to the Advisory Committee either at its meeting in November or in January 2014.

Following the initial briefing, the White Oak Leisure Centre report could be delayed beyond January 2014 before it was presented to the Advisory Committee. No deadline would be set for it as the priority was to have the matter dealt with correctly. Members noted that new premises for the centre could lead to a reduction in running costs and therefore a reduced management fee. Members were directed to raise questions concerning the running of the centre to the Portfolio Holder for Economic and Community Development and the relevant Advisory Committee.

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THE MEETING WAS CONCLUDED AT 9.00 PM

CHAIRMAN

ACTIONS FROM THE MEETING HELD ON 29 AUGUST 2013

Action	Description	Status and last updated	Contact Officer
ACTION 1	That the Finance Manager quantify risk areas in future Budget Monitoring reports (Minute Item 18)	The risk areas have been quantified and are included in the report to the Advisory Committee.	Helen Martin

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TREASURY MANAGEMENT MID-YEAR UPDATE

Finance and Resources Advisory Committee – 12 November 2013

Report of the: Chief Finance Officer

Status: For Consideration

Also considered by: Cabinet – 5 December 2013

Key Decision: No

Executive Summary: Members approved the Investment Strategy as part of the budget-setting process in February 2013. In considering that Strategy Members were advised that, given the current economic climate, the Strategy would need to be monitored and reviewed, where necessary, during the year.

This report gives details of treasury activity in the first half of the current financial year, recent developments in the financial markets and fulfils the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

In the light of falling investment rates, options for increasing the yield on the Council's investment portfolio are considered.

An update on the Council's Icelandic bank investment is also provided.

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

Portfolio Holder Cllr. Ramsay

Contact Officer Roy Parsons, Principal Accountant - Ext 7204

Recommendation to Finance and Resources Advisory Committee: That Cabinet be asked to approve the Treasury Management Mid-Year Update for 2013/14.

Recommendation to Cabinet: It be RESOLVED that the Treasury Management Mid-Year Update for 2013/14 be approved

Reason for recommendation: As required by both the Council's Financial Procedure Rules and the CIPFA Code, a mid-year report of treasury management activity is to be presented to Members for approval.

Background

- 1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual Treasury Management Strategy Statement, which

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includes the Annual Investment Strategy and Minimum Revenue Provision Policy, for the year ahead, a mid-year review report and an Annual Report covering activities during the previous year.

- 2 During 2013/14 the minimum reporting requirements are that the Council should receive the following reports:
 - an annual treasury strategy in advance of the year (Council 19/2/2013).
 - a mid year treasury update report (this report).
 - an annual report following the year describing the activity compared to the strategy.
- 3 In addition, monthly reports from our treasury management advisors, Capita Asset Services (formerly known as Sector Treasury Services) are emailed to Members.
- 4 As requested at the previous meeting of this Committee, our Relationship Director at Capita Asset Services, Mr Richard Bason will be in attendance at this meeting to give a short presentation and to answer any questions Members may have relating to the Council's treasury management activities.

Introduction

- 5 This **mid-year update report** has been prepared in compliance with CIPFA's Code of Practice on Treasury Management and covers:
 - (a) An economic update for the 2013/14 financial year to 30 September 2013;
 - (b) interest rate forecasts;
 - (c) a review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - (d) a review of the Council's investment portfolio for 2013/14;
 - (e) proposals for increasing yield; and
 - (f) an update on the Icelandic bank investment.

Economic Update

- 6 During 2013/14 economic indicators suggested that the economy is recovering, albeit from a low level. After avoiding recession in the first quarter of 2013, with a 0.3% quarterly expansion the economy grew 0.7% in Q2. There have been signs of renewed vigour in household spending in the summer, with a further pick-up in retail sales, mortgages, house prices and new car registrations.
- 7 The strengthening in economic growth appears to have supported the labour market, with employment rising at a modest pace and strong enough to reduce the level of unemployment further. Pay growth also rebounded strongly in April, though this was mostly driven by high earners delaying bonuses until after April's cut in the top rate of income tax. Excluding bonuses, earnings rose by just 1.0%

y/y, well below the rate of inflation at 2.7% in August, causing continuing pressure on household's disposable income.

- 8 The Bank of England extended its Funding for Lending Scheme (FLS) into 2015 and sharpened the incentives for banks to extend more business funding, particularly to small and medium size enterprises. To date, the mortgage market still appears to have been the biggest beneficiary from the scheme, with mortgage interest rates falling further to new lows. Together with the Government's Help to Buy scheme, which provides equity loans to credit-constrained borrowers, this is helping to boost demand in the housing market. Mortgage approvals by high street banks have risen as have house prices, although they are still well down from the boom years pre 2008.
- 9 Turning to the fiscal situation, the public borrowing figures continued to be distorted by a number of one-off factors. On an underlying basis, borrowing in Q2 started to come down, but only slowly, as Government expenditure cuts took effect and economic growth started to show through in a small increase in tax receipts. The 2013 Spending Review, covering only 2015/16, made no changes to the headline Government spending plan, and monetary policy was unchanged in advance of the new Bank of England Governor, Mark Carney, arriving. Bank Rate remained at 0.5% and quantitative easing (QE) also stayed at £375bn. In August, the Bank of England's Monetary Policy Committee (MPC) provided forward guidance that Bank Rate is unlikely to change until unemployment first falls to 7%, which was not expected until mid 2016. However, 7% is only a point at which the MPC will review Bank Rate, not necessarily take action to change it. The three month to July average rate was 7.7%. CPI inflation (MPC target of 2.0%), fell marginally from a peak of 2.9% in June to 2.7% in August. The Bank of England expects inflation to fall back to 2.0% in 2015.
- 10 Financial markets sold off sharply following comments from Ben Bernanke, the US Federal Reserve (Fed) chairman in June that suggested the Fed may 'taper' its asset purchases earlier than anticipated. The resulting rise in US Treasury yields was replicated in the UK. Equity prices fell initially too, as Fed purchasing of bonds has served to underpin investor moves into equities out of low yielding bonds. However, as the market moves to realign its expectations, bond yields and equities are likely to rise further in expectation of a continuing economic recovery. Increases in payroll figures have shown further improvement, helping to pull the unemployment rate down from a high of 8.1% to 7.3%, and continuing house price rises have helped more households to escape from negative equity. In September, the Fed surprised financial markets by not starting tapering as it felt the run of economic data in recent months had been too weak to warrant taking early action. Bond yields fell sharply as a result, though it still only remains a matter of time until tapering does start.
- 11 Tensions in the Eurozone eased over the second quarter, but there remained a number of triggers for a renewed flare-up. Economic survey data improved consistently over the first half of the year, pointing to a return to growth in Q2, so ending six quarters of Eurozone recession.

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Outlook for the next six months of 2013/14

- 12 Economic forecasting remains difficult with so many external influences weighing on the UK. Volatility in bond yields is likely during 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds. Downside risks to UK gilt yields and PWLB rates include:
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations.
 - The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
 - The Italian political situation is frail and unstable: the coalition government fell on 29 September.
 - Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
 - Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
 - Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
 - Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds.
- 13 Upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
 - Increased investor confidence that sustainable robust world economic growth is firmly expected, together with a reduction or end of QE operations in the US, causing a further flow of funds out of bonds into equities.
 - A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
 - In the longer term - a reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.
 - Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth,

causing the ratio of total Government debt to GDP to rise to levels that provoke major concern.

- 14 The overall balance of risks to economic recovery in the UK is now weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last, and it remains exposed to vulnerabilities in a number of key areas. The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Near-term, there is some residual risk of further QE if there is a dip in strong growth or if the MPC were to decide to take action to combat the market's expectations of an early first increase in Bank Rate. If the MPC does takes action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years, such action could cause gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The tension in the US over passing a Federal budget for the new financial year starting on 1 October and raising the debt ceiling in mid October could also see bond yields temporarily dip until agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed will cause bond yields to rise.

Interest rate forecasts

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
5yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
10yr PWLB rate	3.70%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
25yr PWLB rate	4.40%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
50yr PWLB rate	4.50%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%

- 15 Expectations for the first change in Bank Rate in the UK are now dependent on how to forecast when unemployment is likely to fall to 7%. Financial markets have taken a very contrary view to the MPC and have aggressively raised short term interest rates and gilt yields due to their view that the strength of economic recovery is now so rapid that unemployment will fall much faster than the Bank of England forecasts. They therefore expect the first increase in Bank Rate to be in quarter 4 of 2014. There is much latitude to disagree with this view as the economic downturn since 2008 was remarkable for the way in which unemployment did not rise to anywhere near the extent likely, unlike in previous recessions. This meant that labour was retained, productivity fell and now, as the MPC expects, there is major potential for unemployment to fall only slowly as existing labour levels are worked more intensively and productivity rises back up again. The size of the work force is also expected to increase relatively rapidly and there are many currently self employed or part time employed workers who are seeking full time employment. Capita Asset Services take the view that the unemployment rate is not likely to come down as quickly as the financial markets

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are currently expecting and that the MPC view is more realistic. The prospects for any increase in Bank Rate before 2016 are therefore seen as being limited. However, some forecasters are forecasting that even the Bank of England forecast is too optimistic as to when the 7% level will be reached and so do not expect the first increase in Bank Rate until spring 2017.

Treasury Management Strategy and Annual Investment Strategy update

- 16 The Treasury Management Strategy Statement (TMSS) and Prudential Indicators for 2013/14 were approved by the Council on 19 February 2013. There are no policy changes to the TMSS thus far and the details in this report merely update the position in the light of updated economic data.
- 17 The same goes for the Council's Prudential Indicators, namely the Capital Financing Requirement, External Debt and the Operational Boundary and the Limits To Borrowing Activity.

Investment portfolio for 2013/14

- 18 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As described above, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the introduction of the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.
- 19 The Council held £35.058m of investments as at 30 September 2013, excluding the Icelandic bank investment (£26.856m at 31 March 2013) and the investment portfolio yield for the first six months of the year was 0.82% against 7 Day and 3 Month LIBID benchmarks of 0.39% and 0.54% respectively. A list of investments as at 30 September 2013 appears at Appendix A.
- 20 The approved limits within the Annual Investment Strategy were breached just once during the first six months of 2013/14. At the end of April 2013, a large capital receipt was received late on a Friday afternoon. This caused the balance held in the Business Premium Account at Barclays to reach £4.75m, which, together with £2m of fixed deposits, exceeded the £6m limit we had set. It was too late in the day to reinvest the money, but the position was corrected on the following Monday.
- 21 The Council's budgeted investment return for 2013/14 is £260k, and performance for the year to date is £24k above budget. At this stage, the year-end forecast is expected to be nearer £17k above budget.

Proposals for increasing yield

- 22 As mentioned above, we are in a low interest rate environment and this is likely to continue for the foreseeable future. A number of longer dated investments at interest rates over 2% have already, or are or due to, mature in 2013/14.

Reinvestment rates that fit with the current Investment Strategy are around 1% at best. This has caused the overall rate of return on the portfolio to fall steadily since April 2013. The likelihood is that investment interest in 2014/15 will be somewhat lower than that achieved in 2013/14, thereby adding extra pressure to the Council's budget.

- 23 When the time comes to consider the Annual Investment Strategy for 2014/15, Members may wish to take account of the options for increasing yield listed in Appendix B. As always, there will be risks to the security and liquidity of investments by following this path and much depends on our appetite for accepting these risks.
- 24 The rates achievable in the longer end of the market do appear attractive, but can be volatile. At the time of writing this report, the rates quoted in Option C of Appendix B have moved down significantly, but equally they could rise again at short notice. At this point in time, longer term lending to other local authorities is very appealing. 3 year money is currently being dealt at 1.45% to 1.50%, 4 year at 1.85% and 5 year at 2.20%. There is also the possibility of negotiating on a semi-annual rather than annual coupon, which would slightly improve the notional rate of return. An added attraction is the good credit quality of local authorities.
- 25 Members views on the suggested ways of increasing yield would be appreciated.

Update on Icelandic bank investment

- 26 This authority currently has an investment of £1m frozen in Landsbanki Islands hf. The investment was placed on 25 June 2007 at 6.32%, to mature on 25 June 2009.
- 27 The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The UK Government, Administrators and other agencies continue to work with the Icelandic Government to help bring this about. The Local Government Association is coordinating the efforts of all UK authorities with Icelandic investments.
- 28 At the current time, the process of recovering assets is still ongoing with the Administrators. Following the successful outcome of legal test cases in the Icelandic Supreme Court in late 2011, the deposits made by local authorities now rank as priority claims. The Administrators have commenced the process of dividend payments and four such payments have been received amounting to approximately 54% of our claim. The latest assumption is that 100% of the Council's investment (and interest up to 22 April 2009) will be recovered in the period up to 2018.
- 29 One recent development is the resolution of the foreign exchange (FX) dispute in the Icelandic Supreme Court. Our claim was converted to Icelandic Kronur on 22 April 2009 and subsequent dividends have been paid in a basket of currencies including Euros, US Dollars, Sterling and Icelandic Kronur. Originally, the Administrators calculated the four partial payments by reference to the FX rates as at 22 April 2009 rather than the FX rates on the date of the relevant distribution. The Court held that the Administrators must apply the Central Bank of Iceland's official selling rate at the date of distribution when calculating the portion of the

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claim amount that is satisfied by each partial payment. The effect has been to very slightly reduce the percentage of the claim deemed to have been satisfied. This means that the amount (in Icelandic Kronur terms) we can expect to receive for the balance of our claim will be larger, but the actual amounts received will be dependent on FX rates as at the date of distribution.

Key Implications

Financial

- 30 The management of the Council's investment portfolio and cash-flow generated balances plays an important part in the financial planning of the authority. The security of its capital and liquidity of its investments is of paramount importance.

Legal Implications and Risk Assessment Statement

- 31 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 32 This annual review report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.
- 33 Treasury management has two main risks :
- Fluctuations in interest rates can result in a reduction in income from investments; and
 - A counterparty to which the Council has lent money fails to repay the loan at the required time.
- 34 Consideration of risk is integral in our approach to treasury management. However, this particular report has no specific risk implications as it is not proposing any new actions, but merely reporting performance over the last six months.

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?	No	The recommendation is concerned with investment management 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	No	

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
potential to promote equality of opportunity?		
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No mitigating steps are required.

Conclusions

- 35 The overall return on the Council’s investments is exceeding the budget in 2013/14 by approximately £24,000 as at the end of September 2013, but this is expected to have reduced by the end of the financial year.
- 36 The economic situation both globally and within the Eurozone in particular remains volatile with inevitable consequences for the UK economy. Treasury management has been conducted against this background and with a cautious investment approach.
- 37 In order to maintain returns on the Council’s investment portfolio, there are various options to increase yield that are worthy of consideration.
- 38 Recovery of the Icelandic deposit is ongoing and further updates will be provided as and when monies are received.

Appendices:

Appendix A – Investment portfolio at 30 September 2013

Appendix B – Alternative investment options to increase yield

Background Papers:

Treasury Management Strategy for 2013/14 - Council 19 February 2013

**Adrian Rowbotham
Chief Finance Officer**

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SEVENOAKS DISTRICT COUNCIL

List of Investments as at:- 30-Sep-13

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker
	Santander UK plc (Business Reserve A/C)	A	U.K.	Santander	0	01-Apr-99			0.50000%	Variable	Direct
	Santander UK plc (Money Market A/C)	A	U.K.	Santander	0	09-Oct-06			0.50000%	Variable	Direct
	Clydesdale Bank plc (Base Tracker Plus - 15 Day)	A	U.K.	NAB	0	10-Sep-10			0.65000%	Variable	Direct
	Barclays Bank plc (Business Premium A/C)	A	U.K.		1,758,000	01-Oct-11			0.45000%	Variable	Direct
	National Westminster Bank plc (Liquidity Select)	A	U.K.	RBS	4,000,000	07-Oct-11			0.50000%	Variable	Direct
	National Westminster Bank plc (95 Day Notice)	A	U.K.	RBS	3,000,000	24-May-13			0.80000%	Variable	Direct
	Ignis Liquidity Fund (Money Market Fund)	AAA	U.K.		4,000,000	11-May-12				Variable	Direct
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		1,300,000	11-May-12				Variable	Direct
IP1092	Bank of Scotland plc	A	U.K.	Lloyds/HBOS	1,000,000	12-Feb-13	1.10000%	11-Feb-14		1 Year	Direct
IP1095	Bank of Scotland plc	A	U.K.	Lloyds/HBOS	1,000,000	22-Feb-13	1.10000%	21-Feb-14		1 Year	Direct
IP1124	Barclays Bank plc	A	U.K.		1,000,000	07-Aug-13	0.45000%	07-Nov-13		3 Months	Direct
IP1117	Coventry Building Society	A	U.K.		1,000,000	15-Jul-13	0.43000%	15-Oct-13		3 Months	R P Martin
IP1127	Coventry Building Society	A	U.K.		1,000,000	29-Aug-13	0.45000%	29-Nov-13		3 Months	Sterling
IP1123	Leeds Building Society	A-	U.K.		1,000,000	01-Aug-13	0.35000%	01-Nov-13		3 Months	Tradition
IP1069	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	31-Oct-12	2.25000%	30-Oct-13		1 Year	Direct
IP1073	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	05-Nov-12	2.25000%	04-Nov-13		1 Year	Direct
IP1097	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	08-Apr-13	0.80000%	08-Oct-13		6 Months	Direct
IP1098	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	08-Apr-13	1.10000%	08-Apr-14		1 Year	Direct
IP1113	Lloyds TSB Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	04-Jul-13	1.01000%	03-Jul-14		1 Year	Direct
IP1115	Nationwide Building Society	A+	U.K.		1,000,000	09-Jul-13	0.44000%	09-Oct-13		3 Months	Tradition
IP1119	Nationwide Building Society	A+	U.K.		2,000,000	23-Jul-13	0.50000%	23-Jan-14		6 Months	Sterling
IP1122	Nationwide Building Society	A+	U.K.		1,000,000	01-Aug-13	0.50000%	03-Feb-14		6 Months	Tradition
IP1129	Nationwide Building Society	A+	U.K.		1,000,000	30-Aug-13	0.44000%	29-Nov-13		3 Months	R P Martin
IP1120	Skipton Building Society	BBB-	U.K.		1,000,000	29-Jul-13	0.49000%	29-Oct-13		3 Months	Direct
IP1128	Skipton Building Society	BBB-	U.K.		1,000,000	29-Aug-13	0.49000%	29-Nov-13		3 Months	Direct
IP1121	Ulster Bank Ltd	A-	U.K.	RBS	1,000,000	29-Jul-13	0.65000%	29-Jan-14		6 Months	R P Martin
IP1118	Yorkshire Building Society	BBB+	U.K.		2,000,000	18-Jul-13	0.40000%	18-Oct-13		3 Months	Sterling
	Total Invested				35,058,000						
	Matured Investment										
IP813	Landsbanki Islands hf		Iceland		452,300	25-Jun-07	6.32000%	25-Jun-09		2 Years	R P Martin
	Other Loan										
	Sevenoaks Leisure Limited				250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct

Alternative investment options to increase yield

Background

1. Owing to a flood of government money into the banking sector as a result of the Funding For Lending scheme, there has been a downward trend in investment rates over the last few months. We previously had significant sums invested in the one year period at various rates in excess of 1% and up to 3%. These investments have started to mature and the equivalent 1 year rates are now at or below 1%.
2. In order to maintain the interest receipts budget at its existing level going forward, consideration needs to be given to alternative options to increase yield.
3. The consideration of risk is important in local authority investment decisions and the overriding principles are security and liquidity before yield.
4. In considering the alternative options, it must be realised that additional risk will be inherent.
5. Our treasury management advisors (Capita Asset Services) produce a matrix of recommended counterparties and duration limits on a weekly basis. Whilst it is for the authority to make its own investment decisions, it should be recognised that some of the options would fall outside their recommended guidance.
6. Our current investment strategy is very cautious and largely follows the Capita model. Most changes put forward here would not be compatible and would hence require approval by Full Council.

Options

A. Increase limits to existing counterparties

Currently, the limits are £8m for Lloyds and RBS, £5m (or £6m including call accounts) for others and £2m for the top five building societies (with the exception of Nationwide).

The value of the portfolio averages about £30m and there is a current limit of 25% of the total fund to any counterparty.

By increasing the limits, there would be scope to concentrate more money in the institutions paying better rates (mainly Lloyds & RBS). However, it should be recognised that there is increased risk in the event of the institution's failure.

B. Add new counterparties

At present, the policy is to only lend to UK based institutions. The use of foreign banks could be considered as some are paying better rates. Examples are Santander (who were removed from the lending list because of perceived issues with its Spanish parent) and Svenska Handelsbanken who will shortly be opening a branch in Sevenoaks and whose offerings for instant access accounts at least match or even better those on offer from Barclays and RBS.

The Bank of China (London branch) is new into the sterling market. It is paying above the usual levels (3 months @ 0.55%, 1 year @ 0.95%)

C. Extend the duration of investments

The maximum duration currently allowed in our strategy is one year. Depending on the assessment in Capita's colour coding matrix, some counterparties have a maximum of 3 or 6 months duration imposed. These limits severely restrict potential yield, but are there to mitigate against the security and liquidity risks. We also have a self-imposed 3 month limit on Building Societies other than the Nationwide.

There is no doubt that an improvement in yield could be obtained by committing to longer dated investments. An analysis of the need to use reserves over the coming years would be needed before tying up money long term.

Other authorities already use longer dated investments, so we would not be unique here. Some examples of the rates available at 10/9/13 are:-

Lloyds – 2 years @ 1.10%, 3 years @ 1.45%, 4 years @ 1.96% and 5 years @ 2.30%

RBS – 18 mths @ 0.85%, 2 years @ 1.27%, 3 years @ 1.74%, 4 years @ 2.08% and 5 years @ 2.37%

Barclays – 2 years @ 1.03%, 3 years @ 1.46%, 4 years @ 1.94% and 5 years @ 2.39%

These rates are dependent on gilt yields which have been on the increase recently owing to so much good news on the UK economy. Swap rates are moving up, so cash rates have been improving all the time. However, they can be very volatile and decisions to place money need to be timed carefully in reaction to rapidly changing market conditions. The market thinks that base rates will need to rise before Mark Carney's goal of a reduction in unemployment to 7% is reached.

As far as the Building Societies are concerned, by extending the duration to 1 year, rates in the region of 0.85% to 0.87% can be achieved, compared with 0.45% to 0.50% in the 3 month period to which we are limited at the present time.

D. Enhanced Money Market Funds

These are becoming a popular alternative for many authorities as they struggle with shrinking counterparty lists and ever reducing yields. However, these funds operate in a very different way to the standard MMFs, even though both types have AAA ratings. EMMFs have a variable NAV and therefore a greater market risk exposure. There is a potential for loss of capital. They achieve better returns because they have a wider credit appetite and increased durational limits.

EMMFs are usually viewed with a minimum of a 6 months holding in order to even out potentially volatile month on month returns. However, should access to cash be

required, it is usually on a T+2 or T+3 basis (i.e. a redemption requested on Monday would be received on Wednesday or Thursday).

An example of an EMMF from one of our existing MMF providers, based on a 1 month annualised gross return and on T+5 access, is:

August 2013: 1.05%

July 2013: 0.54%

June 2013: 0.50%

May 2013: 0.93%

This compares with an almost static 0.43% to 0.44% return over the same period on their standard MMF.

E. Property Funds

These are pooled investment vehicles, investing in all types of commercial/industrial property. They have entry and exit fees and are typically viewed as long term investments over 5 years or more. They give indirect access to the property market, can be seen as another means of diversification and can provide stable returns and capital appreciation.

On the downside, they are illiquid and have inherent price volatility (whether due to a property market collapse or quality of tenants). Hence the need to take a longer term view. Additionally, exit timings can be difficult resulting in a long term lag on redemption.

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2014/15 BUDGET AND REVIEW OF SERVICE PLANS

Finance and Resources Advisory Committee - 12 November 2013

Report of Chief Finance Officer

Status: For Decision

Also considered by: Strategy and Performance Advisory Committee - 8 October 2013

Housing and Community Safety Advisory Committee – 15 October 2013

Economic and Community Development Advisory Committee – 24 October 2013

Local Planning and Environment Advisory Committee – 19 November 2013

Key Decision: No

Executive Summary: This report sets out updates to the 2014/15 budget within the existing framework of the 10-year budget and 4-year savings plan. The report presents proposals that have been identified by Portfolio Holders and these need to be considered, together with further suggestions made by the Advisory Committees, before finalising the budget for 2014/15.

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

Portfolio Holder Cllr. Hogarth

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

Recommendation to each Advisory Committee:

- (a) Advise Cabinet with views on the growth and savings proposals identified by the Portfolio Holder in Appendix C.
- (b) Advise Cabinet with further suggestions for growth and savings for the services within the terms of reference of the Advisory Committee.

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

Agenda Item 8

Introduction and Background

- 1 The Council's financial strategy over the past nine years has worked towards increasing financial sustainability and it has been successful through the use of a number of strategies including:
 - implementing efficiency initiatives;
 - significantly reducing the back office function;
 - improved value for money;
 - maximising external income;
 - the movement of resources away from low priority services; and
 - an emphasis on statutory rather than non-statutory services.
- 2 Over this period the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders through the Community Plan. In financial terms, the adoption of this strategy has to date allowed the Council to move away from its reliance on general fund reserves which has ensured that the general fund reserves have remained largely unchanged.
- 3 Due to the level of funding and other potential changes and uncertainties, it is increasingly difficult to anticipate with sufficient accuracy what the level of Government settlement is likely to be after 2014/15. However, using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that this is a constantly changing situation and more accurate data will become available in future months.
- 4 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the planned reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 5 The intention of this report is to provide Members of each Advisory Committee an opportunity to give their views on potential growth and savings items that could be included in the updated 10-year budget that will be presented to Council on 18 February 2014.
- 6 The 'Financial Prospects and Budget Strategy 2014/15 and Beyond' report has been presented to Cabinet to start the budget setting process for 2014/15.
- 7 This report presents members with the following documents relating to the budget for 2014/15:
 - Summary of Service Plans relating to the Advisory Committee (Appendix A);

- Summary of the Council's agreed 4 year savings plan and growth items (Appendix B);
- New growth and savings items proposed by the Portfolio Holders (Appendix C);
- Service Change Impact Assessment forms (SCIAs) for the new growth and savings items relating to the Advisory Committee (Appendix D);
- 10-year budget (Appendix E);
- Budget timetable (Appendix F).

Summary of Service Plans

- 8 On an annual basis, Managers of each of the Council's services set out their objectives for the coming year within their Service Plans. The Service Plans, and the objectives Managers set, form the basis for decisions about performance indicators to be used to measure progress and an assessment of the operational risks that may prevent objectives being achieved. Service Plans are directly aligned to the Council's priorities and the resources available to deliver the service.
- 9 Appendix A is a summary of Service Plans for those services directly relevant to this Advisory Committee.

4 Year Savings Plan

- 10 Appendix B to this report sets out the 4 year savings plan, approved by Council in December 2010 and updated over the last two years, which is allowing the Council to deliver a 10 year balanced budget.
- 11 The savings plan requires a total of £4.2 million to be saved between 2011/12 and 2014/15 which is an average saving of over £1m per annum. In the ten years from 2005/06, over £10m of savings will then have been made.
- 12 Further savings are scheduled to be made in later years as agreed by Council on 18 October 2011.

Proposed Growth Items

- 13 Growth items are items that are in addition to non-service issues and risks, such as grant settlements, impacts of economic change and other pressures highlighted in the 'Financial Prospects and Budget Strategy 2014/15 and Beyond' report considered by Cabinet on 12 September 2013.
- 14 A list of the growth items proposed by the Portfolio Holders can be found in Appendix C and a summary by Advisory Committee is shown in the following table:

Agenda Item 8

Advisory Committee	£000
Economic and Community Development	122
Finance and Resources	11
Local Planning and Environment	30
Total	163

Proposed Savings Items

- 15 Portfolio Holders are also proposing a number of savings items which can also be found in Appendix C and a summary by Advisory Committee is shown in the following table:

Advisory Committee	£000
Economic and Community Development	(37)
Finance and Resources	(118)
Housing and Community Safety	(25)
Local Planning and Environment	(120)
Total	(300)

Financial Summary

- 16 It is increasingly difficult to produce an accurate forecast at this early stage due to the level of uncertainty being greater than ever before, in particular for Government Support. The assumptions currently included take into account the latest information available but no doubt a number of assumptions may change before the final budget meeting in February 2014..
- 17 Since the 'Financial Prospects and Budget Strategy 2014/15 and Beyond' report was presented to Cabinet on 12 September 2013, further information has been obtained concerning Government Support for 2014/15. The Government will be reducing the provisional amount announced in February 2013 by a further 1% resulting in a 7.5% reduction instead of 6.5%. This change has been included in the 10-year budget attached at Appendix E.
- 18 Interest receipts have also been reviewed taking in to account the latest interest rates forecasts together with investment balances.

- 19 The 10-year budget attached at Appendix E includes the changes in Government Support for 2014/15, interest receipts and the growth and savings proposals put forward by the Portfolio Holders.
- 20 It is proposed to put the remaining balance of £70,000 per year into the Financial Plan Reserve which would be able to fund year 11 (2024/25) of the budget, should it still be available when the budget is set in February, it will also provide further flexibility with the 10-year budget should it be needed.
- 21 Views of the Advisory Committees on the growth and savings items proposed by the Portfolio Holders together with any additional suggestions will be considered by Cabinet at its meeting on 5 December 2013.

Process and Timetable

- 22 This report is the second stage of the budget process as shown in the Budget Timetable (Appendix F).
- 23 It is possible that Advisory Committees may have to re-address service budgets in January if significant changes have taken place (including government support changes) leading to a large and unmanageable deficit.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

For the effective management of our resources and in order to achieve a sustainable budget it is essential that all service cost changes and risks are identified and considered.

Major service financial risks are included in the Service Plans, risk analysis and SCIA's. Financial risks will be reviewed again when the Cabinet publishes its proposals for the annual budget.

Community Impact and Outcomes

The SCIA's set out the potential impact on the community of variations to the agreed budget.

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	Yes	Individual equalities assessments have been completed for all of the Service Change Impact Assessments (SCIA's) to ensure the decision making process is fair

Agenda Item 8

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
against different groups in the community?		and transparent.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

Conclusions

Members' consideration and scrutiny of the relevant services is an essential and key element in the business and financial planning process. Any growth items agreed which are outside the existing 10-year budget will require additional savings, and subsequent service changes, to ensure a balanced budget position.

By incorporating the proposed growth and savings items into the 10-year budget, it will allow an annual contribution to be made to the Financial Plan Reserve which will help to fund the council into year 11 (2024/25) and beyond.

Appendices

Appendix A – Summary of Service Plans relating to the Advisory Committee

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

Appendix C – New growth and savings items proposed by the Portfolio Holders

Appendix D – Service Change Impact Assessment forms (SCIAs) for the new growth and savings items relating to the Advisory Committee

Appendix E – 10-year budget

Appendix F – Budget timetable

Background Papers:

Report to Council 19 February 2013 – Budget and Council Tax Setting 2013/14

Report to Cabinet 12 September 2013 – Financial Prospects and Budget Strategy 2014/15 and Beyond

Adrian Rowbotham
Chief Finance Officer

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Summary of 2013/14 Service Plans

Finance & Resources Advisory Committee

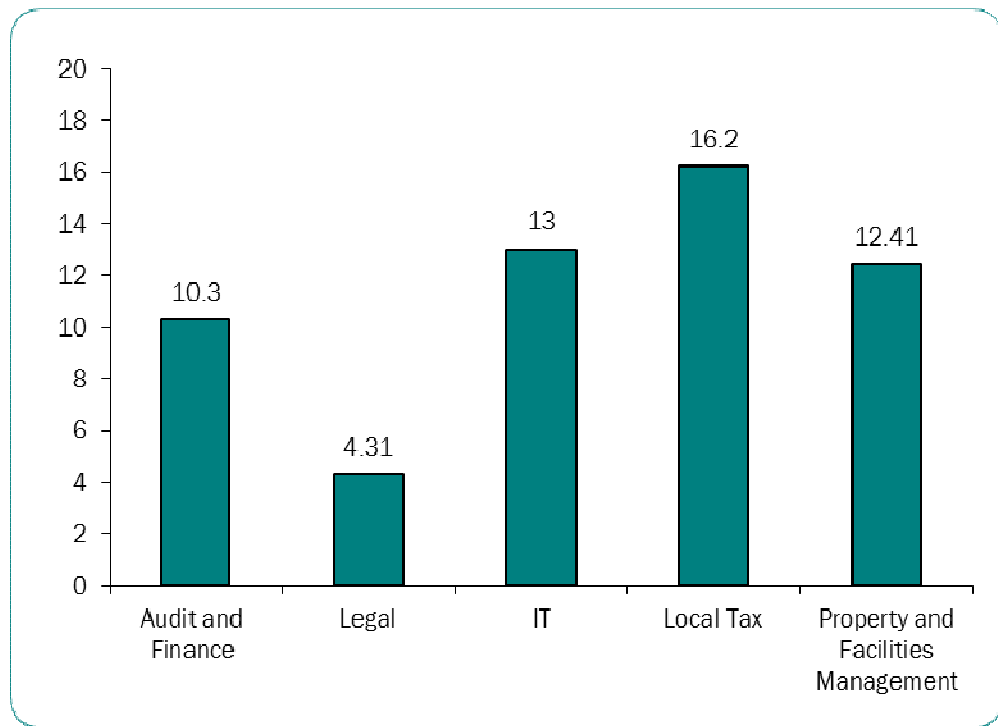
Guidance Page

Table 1: Responsibility for Services							Table 2: Notes to accompany Summary of Service Plans			
Chief Officer	Services	Strat & Perf	Ec & Com Dev	Finance & Res	Hous & Safe	Plan & Env	Section	Description		
Communities & Business	Community Plan		✓				1: Key Service Objectives	The key service objectives are drawn from the Service Plans completed each year by the Service Manager . The Summary of Service Plan selects only the key objectives for the service for 2013/14 and is not a full record of all objectives for the service.		
	Community Safety				✓					
	Economic Dev.		✓							
	Health & Leisure		✓							
Corporate Support	Customer Services	✓					2a: Resources – Staff FTEs	Provided by the Human Resources team the number of full time equivalent staff demonstrates the resources available to deliver the service. Where services are shared only the staff employed directly by Sevenoaks District Council are included.		
	IT			✓						
	Property & Facilities			✓						
Environmental & Operational Services	CCTV				✓		2b: Resources – 2013/14 Budget	Provided by the Finance team the net budget for each service for the three most recent years sets out the financial resources available to deliver the service. The data also demonstrates the direction of travel of the budget in recent years. For shared services only the SDC contribution is included.		
	Direct Services		✓ Markets			✓				
	Env Health				✓					
	Licensing				✓					
	Parking & Surveying		✓							
Finance	Audit			✓			2c: Resources – Savings Plan	Provided by the Finance team is a record of savings achieved between 2008 and 2010 and those agreed for the next 4 years within the current savings plan. For details of the savings planned for 2014/15 for your Advisory Committee please see Appendix B to this report.		
	Benefits				✓					
	Communications	✓								
	Finance			✓						
	Fraud				✓					
	HR	✓							3a: Performance – Head of Service Level	A high level summary of the current performance of all local performance indicators (LPIs) overseen by the Head of Service. The colour coding represents the following performance levels: Green – At or above target; Amber – Within 10% of target Red – Missing target by 10% or more
	Local Tax			✓						
	Trans & Strategy	✓								
Housing	Climate Change					✓	3b: Service Performance Summary	A summary of the current performance of all LPIs at service level. More information is available to Members through Covalent - www.covalentcpm.com/sevenoaks - using the assigned Member log in and password.		
	Housing Policy				✓					
	Housing Advice & Standards				✓					
	Leader Programme		✓							
Legal & Governance	Dem. Services	✓					3c: Performance Notes	Where any performance indicator is missing target by 10% or more and is 'Red' Officers have provided a brief commentary. More detailed commentary is available in Covalent.		
	Legal			✓						
Planning	Dev. Management					✓				
	Planning Policy					✓				

Part 1: Key Service Objectives			
<p>Audit and Corporate Governance Chief Finance Officer</p>	<ul style="list-style-type: none"> ■ To give an assurance on the overall governance and internal control processes of the Council ■ Deliver the risk based Annual Audit Plan for 2012/13, taking account of the Council's key priorities and relevant regulatory requirements. ■ Ensure compliance with new Internal Audit Standards ■ Liaise with External Audit as necessary in meeting the Council's assurance requirements. 	<p>Legal Chief Officer Legal & Governance</p>	<ul style="list-style-type: none"> ■ Establish close, effective working relationships with our client services ■ Ensure that client services are aware of and respond appropriately to significant new legislation/case law that applies to local authorities ■ Protecting the corporate interest and maintaining high standards of probity and ethical governance
<p>Budget and Financial Strategy Chief Finance Officer</p>	<ul style="list-style-type: none"> ■ Monitor the 2013/14 budget and produce a balanced 2014/15 budget in conjunction with all services ■ Manage the Council's investment portfolio and cash flow requirements in line with Treasury Management Policy Statement ■ Provide expert financial advice and support to Officers and Members 	<p>Local Tax Chief Finance Officer</p>	<ul style="list-style-type: none"> ■ Continue with implementation of the local council tax support scheme and ensure a successful first year of operation ■ To maximise the collection rate of council tax and business rates, whilst providing appropriate advice and support to those who cannot pay ■ Improve perception of the service, maximising customer satisfaction
<p>Information Technology Chief Officer Corporate Support</p>	<ul style="list-style-type: none"> ■ Delivering the Council's IT Strategy ■ Review and implement a sustainable IT Asset Maintenance programme ■ Deliver increased customer satisfaction through service re-design and self service 	<p>Property and Facilities Management Chief Officer Corporate Support</p>	<ul style="list-style-type: none"> ■ Provide first class Property & FM support to all services, partnerships and shared services ■ Provide a high quality design and print service to the Council and our external customers ■ Delivery of the asset management action plan ■ To ensure that all corporate property complies with relevant legislative and regulatory requirements

Part 2: Resources

Part 2a: Staff (full time equivalent employees)



Part 2b: Net Budget (£ 000)

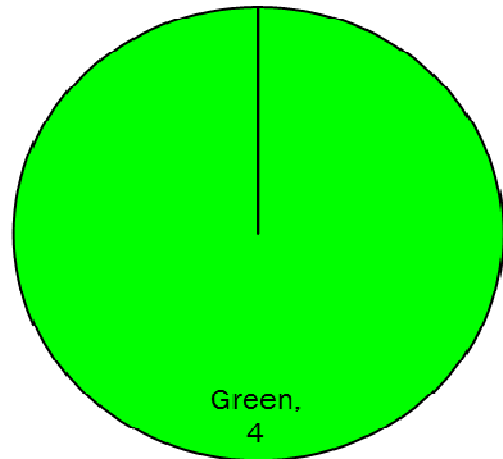
Service	Budget 11/12	Budget 12/13	Budget 13/14
Audit	161	139	145
Finance	231	234	222
Local Tax	233	154	127
Legal	223	236	233
IT	1114	1127	1103
Property and Facilities Management	629	344	329
TOTAL	2591	2234	2159

Part 2c: Savings Plan

Service	2008/11	2011/13	2013/14	2014/15
Audit	29	-	-	-
Finance	244	40	50	
Local Tax	80	25	-	-
Legal	30	55	-	-
IT	206	184	20	60
Property and Facilities Management	35	281	140	-
TOTAL	624	585	210	60

Part 3: Performance

Part 3a: Finance and Resources - Summary



Part 3b: Service Performance Summary (as at August 2013)

Service	Green	Amber	Red	Overall Performance
Audit	2	-	-	Green
Finance	-	-	-	-
Local Tax	2	-	-	Green
Legal	-	-	-	-
IT, Property and Facilities Management	-	-	-	Green
TOTAL	4	-	-	Green

Part 3c: Performance Commentary (for Red Indicators)

Finance and Resources
N/A

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

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

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New Growth and Savings Proposed by the Portfolio Holders

Growth					
SCIA Year	No.	Description	Year	Ongoing	£000
Economic and Community Development					
2014/15	1	Admin. costs for external funding - e.g. Leader & Business Support	2014/15	yes	10
2014/15	2	Broadband / Economic Development Reserve	2014/15	5 years	50
2014/15	3	Swanley market - reduced income	2014/15	yes	62
Finance and Resources					
2014/15	4	Treasury Management: increased cost of debit and credit cards	2014/15	yes	11
2014/15	5	Finance: improve financial resilience	2014/15	yes	28
Local Planning and Environment					
2014/15	6	Loss of glass recycling at Sainsburys	2014/15	yes	30
Total					191

Savings					
SCIA Year	No.	Description	Year	Ongoing	£000
Economic and Community Development					
2014/15	7	Community & Business: Efficiency review	2014/15	yes	(10)
2014/15	8	Civil Enforcement: Delete Officer post	2014/15	yes	(27)
Finance and Resources					
2014/15	9	Corporate Support: External print income increase	2014/15	yes	(10)
2014/15	10	Corporate Support: Efficiency review	2014/15	yes	(20)
2014/15	11	Finance: 66 London Road rent and rates	2014/15	yes	(76)
2014/15	12	Finance: Efficiency review	2014/15	yes	(40)
Housing and Community Safety					
2014/15	13	Housing: Efficiency review - Housing Initiatives	2014/15	part	(15)
2014/15	14	Licensing: Efficiency review	2014/15	yes	(10)
Local Planning and Environment					
2014/15	15	Planning: Use CIL funds for monitoring	2016/17	yes	(50)
2014/15	16	Planning: Efficiency review	2015/16	yes	(35)
2014/15	17	Planning: Income increase	2014/15	yes	(35)
Total					(328)

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SERVICE CHANGE IMPACT ASSESSMENT**SCIA # 4 (14/15)**

Service Area:	Treasury Management	Service:	Finance
Activity	Debit and credit card fees	No. of Staff:	0 fte

Activity Budget Change	14/15 £000	15/16 £000	16/17 £000	17/08 £000
Increased cost of debit and credit card transactions	11	→	→	→

Reasons for and explanation of proposed change in service

A fee is payable for each debit and credit card transaction. Use of these payment methods by council customers to pay for services continues to rise. This fee is not currently passed on to customers as we do not wish to discourage payment and it generally remains a cheaper option than paying by cash.

Key Stakeholders Affected

All customers who pay for council services.

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

No impact.

2013/14 Budget	£ 000	Performance Indicators		
Operational Cost	43	Code & Description	Actual	Target
Income	-	No applicable performance indicators		
Net Cost	43			

SERVICE CHANGE IMPACT ASSESSMENT

SCIA # 5 (14/15)

Service Area:	Finance Function	Service:	Finance
Activity	Finance Function	No. of Staff:	9.2 fte

Activity Budget Reduction	14/15 £000	15/16 £000	16/17 £000	17/08 £000
Strengthen financial resilience	28	➔	➔	➔

Reasons for and explanation of proposed change in service	<p>Due to changes in technology and the importance of high level financial expertise within the Council. It is important to ensure that ensure the Council continues to have a thorough understanding of the increasingly complex finance issues affecting local authorities.</p> <p>As mentioned in the Financial Prospects report, the Council is continuing to face huge financial challenges and pressures. The Finance Team needs to play a lead role in steering the Council through these difficult times.</p> <p>The net effect of this growth item together with the Finance efficiency review savings item will result in a net saving of £12,000.</p>
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Key Stakeholders Affected	Management Team, Members
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Likely impacts and implications of the change in service (include Risk Analysis)	Increased high level financial resilience within the Council.
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2013/14 Budget	£ 000	Performance Indicators		
Operational Cost	357	Code & Description	Actual	Target
Income	-	No applicable performance indicators		
Net Cost	357			

SERVICE CHANGE IMPACT ASSESSMENT

SERVICE CHANGE IMPACT ASSESSMENT

SCIA # 9 (14/15)

Service Area:	Property and Facilities Management	Service:	Corporate Support
Activity	Print Studio	No. of Staff:	2.68 fte

Activity Budget Reduction	14/15 £000	15/16 £000	16/17 £000	17/08 £000
Increase external print income	(10)	➔	➔	➔

Reasons for and explanation of proposed change in service

During the course of 2013/14 the Print Studio Officer has reduced his working hours at his request. This post is now 0.68 FTE. To compensate for this, a Print Studio Assistant has been recruited. This provides continued resilience within the Print Studio which now totals 2.68 FTE staff and allows for a small amount of additional capacity to take on more external print work.

Key Stakeholders Affected

Internal and external Print Studio Customers

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

A positive impact as a result of additional income to the Council whilst not adversely affecting capacity within the Print Studio

2013/14 Budget	£ 000	Performance Indicators		
Operational Cost	146	Code & Description	Actual	Target
Income	-194	No applicable performance indicators		
Net Cost	-48			

SERVICE CHANGE IMPACT ASSESSMENT

SCIA # 10 (14/15)

Service Area:	Property and Facilities Management	Service:	Corporate Support
Activity	Facilities Management	No. of Staff:	13.5 fte

Activity Budget Reduction	14/15 £000	15/16 £000	16/17 £000	17/08 £000
Efficiency Review	(20)	➔	➔	➔

Reasons for and explanation of proposed change in service

Collective reductions in the costs of Postage, Cleaning and Telephones. In addition, reductions have been identified in the budget previously used for supporting microfilming equipment but more recently used to support corporate scanning equipment.

Key Stakeholders Affected

All Council staff and members

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

The main risks involved with this reduction are if there are any future increases in either postage or telephony charges, there will be no contingency within the relevant budgets to absorb the additional costs.

2013/14 Budget	£ 000	Performance Indicators		
Operational Cost	614	Code & Description	Actual	Target
Income		No applicable performance indicators		
Net Cost	614			

SERVICE CHANGE IMPACT ASSESSMENT

SCIA # 11 (14/15)

Service Area:	Miscellaneous Finance	Service:	Finance
Activity	66 London Road – rent and rates	No. of Staff:	0 fte

Activity Budget Change	14/15 £000	15/16 £000	16/17 £000	17/08 £000
Sale of 66 London Road	(76)	➔	➔	➔

Reasons for and explanation of proposed change in service

Following the sale of 66 London Road as part of the Blighs Development, the council is no longer liable to pay the rent and rates on this property

Key Stakeholders Affected

None

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

No impact.

2013/14 Budget	£ 000	Performance Indicators		
Operational Cost	76	Code & Description	Actual	Target
Income	-	No applicable performance indicators		
Net Cost	76			

SERVICE CHANGE IMPACT ASSESSMENT**SCIA # 12 (14/15)**

Service Area:	Finance Function	Service:	Finance
Activity	Finance Function	No. of Staff:	9.2 fte

Activity Budget Change	14/15 £000	15/16 £000	16/17 £000	17/08 £000
Efficiency review	(40)	➔	➔	➔

Reasons for and explanation of proposed change in service

The following functions of the service will be reviewed, including how they are delivered across the whole council in a more efficient manner:

- Procure to Pay
- Cash till
- Debtors

The net effect of this savings item together with the financial resilience growth item will result in a net saving of £12,000.

Key Stakeholders Affected

Customers who pay cash at Argyle Road and Swanley Local Office, Suppliers, Staff

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

A more consistent approach to the functions listed above.

Internal customers of the Finance Team should see an improved service that better suits the changing requirements.

2013/14 Budget	£ 000	Performance Indicators		
Operational Cost	357	Code & Description	Actual	Target
Income	-	No applicable performance indicators		
Net Cost	357			

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Ten Year Budget - Revenue

	Budget 2013/14	Plan 2014/15	Plan 2015/16	Plan 2016/17	Plan 2017/18	Plan 2018/19	Plan 2019/20	Plan 2020/21	Plan 2021/22	Plan 2022/23	Plan 2023/24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	13,443	13,800	14,657	15,045	15,407	15,802	16,130	16,520	16,956	17,369	17,783
Inflation	621	488	533	555	558	629	626	623	413	414	416
Superannuation Fund deficit: actuarial increase	0	520	0	0	0	0	0	0	0	0	0
Net savings (approved in previous years)	(264)	(99)	(117)	(143)	(162)	(301)	(186)	(187)	0	0	0
New growth	0	191	0	0	0	0	(50)	0	0	0	0
New savings	0	(243)	(28)	(50)	0	0	0	0	0	0	0
Net Service Expenditure b/f	13,800	14,657	15,045	15,407	15,802	16,130	16,520	16,956	17,369	17,783	18,199
Financing Sources											
Government Support (1)	(3,788)	(3,504)	(2,873)	(2,811)	(2,784)	(2,868)	(2,954)	(3,043)	(3,134)	(3,228)	(3,325)
New Homes Bonus	(976)	(1,276)	(946)	(1,126)	(1,126)	(1,126)	(1,126)	(1,126)	(1,126)	(1,126)	(1,126)
Govt Support - to be passed on to Towns/Parishes	(274)	(279)	(285)	(294)	(303)	(312)	(321)	(331)	(341)	(351)	(362)
Govt Support - passed on to Towns/Parishes	274	279	285	294	303	312	321	331	341	351	362
Council Tax	(8,728)	(8,955)	(9,188)	(9,519)	(9,861)	(10,216)	(10,582)	(10,962)	(11,355)	(11,762)	(12,183)
Council Tax Support grant	(734)	(749)	(764)	(747)	(740)	(762)	(785)	(809)	(833)	(858)	(884)
Interest Receipts	(229)	(255)	(386)	(406)	(382)	(349)	(318)	(293)	(272)	(255)	(247)
Contributions to Reserves	787	418	418	418	298	298	298	298	298	298	298
Contributions from Reserves	(795)	(510)	(510)	(510)	(510)	(510)	(510)	(510)	(510)	(335)	(335)
Total Financing	(14,463)	(14,831)	(14,249)	(14,701)	(15,105)	(15,533)	(15,977)	(16,445)	(16,932)	(17,266)	(17,802)
Budget Gap (surplus)/deficit	(663)	(174)	796	706	697	597	543	511	437	518	398
Contribution to/(from) Stabilisation Reserve	663	174	(796)	(706)	(697)	(597)	(543)	(511)	(437)	(518)	(398)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0






Remaining balance / (shortfall) in Budget

Stabilisation reserve: 4,703 4,998 4,322 3,737 3,039 2,442 1,899 1,387 950 432 34

Assumptions	
Government Support:	-7.5% in 14/15, -18% in 15/16, -2% in 16/17, -1% in 17/18, +3% later years
Council Tax:	2% in 14/15 - 15/16, 3% later years
Interest Receipts:	0.8% in 14/15, 1.2% in 15/16, 1.3% later years (based on Sector Bank Rate forecast + 0.3%)
Pay award:	1% in 14/15 - 15/16, 1.5% in 16/17 - 17/18, 2% later years
Other costs:	3% in 14/15, 2.25% later years
Income:	3.5% in all years
Note 1	Government Support includes Council Tax Freeze Grants

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2014/15 Budget Setting Timetable

	Date	Committee
Stage 1		
Financial Prospects and Budget Strategy 2014/15 and Beyond	29 August	Finance & Resources AC
	12 September	Cabinet
		
Stage 2		
Review of Service Plans and Service Change Impact Assessments (SCIAs)	8 October	Strategy & Performance AC
	15 October	Housing & Comm. Safety AC
	24 October	Economic & Comm. Dev. AC
	12 November	Finance & Resources AC
	19 November	Local Planning & Env. AC
		
Stage 3		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees & Other Consultation)	5 December	Cabinet
		
Stage 4		
Budget Update and further review of Service Change Impact Assessments (if required)	January	Advisory Committees
		
Stage 5		
Budget Setting Meeting (Recommendations to Council)	6 February	Cabinet
		
Stage 6		
Budget Setting Meeting (incl. Council Tax setting)	18 February	Council

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

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SHARED SERVICES – COSTS AND SAVINGS

Finance and Resources Advisory Committee - 11 November 2013

Report of Chief Finance Officer

Status: For Information

Key Decision: No

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

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Helen Martin Ext. 7483

Recommendation to Finance and Resources Advisory Committee: That the report be noted

Introduction

- 1 On 24 January 2013 Members of the Finance Advisory Group were presented with a report on the implementation costs and savings for partnership working. Members asked for this report to be added to the forward programme.

Current Partnerships in Place

- 2 Appendix A lists all of the shared services arrangements currently in place and also those that have ended.

Changes in the last year

- 3 Since April 2013 we have entered into a new agreement for Tandridge to pay for IT to support the shared financial management system.
- 4 The arrangement for sharing a Building Control Manager with Tonbridge and Malling ended in October 2013.

Future Partnerships

- 5 Officers continue to have discussions with other local authorities regarding future partnership opportunities.

Key Implications

Financial

This report is for information only and there are, therefore, no financial implications arising from this report. The listed partnership arrangements have been entered into by

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the Council in order to achieve financial savings, deliver increased efficiencies and to improve resilience of service delivery.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

There are no new risks associated with this report. Each partnership proposal would include a risk assessment.

Community Impact and Outcomes

The partnership working arrangements in Appendix A have delivered financial savings usually through reducing the cost of management or back office services, thus delivering a financial benefit to local residents whilst maintaining customer facing services.

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?	No	
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?		

.Appendices

Appendix A – Register of Shared Working Arrangements

Background Papers:

Report to Finance Advisory Group Council 24 January 2013 Partnership Working – Costs and Savings

Adrian Rowbotham
Chief Finance Officer

Sevenoaks District Council

Register of Shared Working Arrangements

Description	Type	Start Date	Partner Organisation(s)	Implementation Costs £000	Annual Savings £000
Current Shared Services					
Shared Financial Management System	Contractual	Nov-01	Tandridge	Nil	6
Licensing Partnership	Shared Service	May-06	Tunbridge Wells & Maidstone	50	38
Public Convenience Cleaning	Contractual	Apr-08	Tandridge	Nil	12
Bottle Bank Emptying	Contractual	Dec-08	Dartford	Nil	3
STAG maintenance	Contractual	Jan-09	Sevenoaks Town Council	Nil	14
Out of Hours Service	Contractual	Sep-09	Tonbridge & Malling	Nil	12
Equalities Officer	Shared Officer	Jan-10	Tunbridge Wells and Tonbridge & Malling	Nil	15
Print Services	Contractual	Jan-10	Dartford	Nil	10
Police co-location Phase 1	Shared Service	Jun-10	Kent Police	Nil	4
Revenues, Benefits, Audit & Fraud	Shared Service	Dec-10	Dartford	417 (10/11-14/15)	250
Property Services – Asset Management	Contractual	Apr-11	Tandridge	Nil	13
Procurement & Risk Management	Shared Service	Apr-11	Dartford	Nil	Cost Neutral
Shared CCTV Manager	Shared Management	Apr-11	Tunbridge Wells	Nil	25
Shared Senior Parking Engineer	Shared Officer	Apr-11	Tonbridge & Malling	Nil	24
Moat Housing co-location	Shared Service	Nov-11	Moat	30	9
Environmental Health	Shared Service	Apr-12	Dartford	243 (11/12-16/17)	150
Police Reception	Shared Service	Oct-12	Kent Police	180	18
Kent CC co-location	Shared Service	Dec-12	Kent County Council	Nil	5
Product Support (Shared Fin Mgt System)	Contractual	Apr-13	Tandridge	Nil	3

Total

611

Description	Type	Start Date	Partner Organisation(s)	Implementation Costs	Annual Savings
Ended Shared Services					
Shared Environmental Health Manager (Replaced by Shared Service)	Shared Management	Sept 2008 to March 2011	Dartford	n/a	n/a
Internal Audit (Replaced by Shared Service)	Shared Management	Oct 2008 to Oct-10	Dartford	n/a	n/a
Benefit Fraud (Replaced by Shared Service)	Shared Management	April 2009 to Oct-10	Dartford	n/a	n/a
Democratic Services	Shared Management	Nov 2010 to Jan 2012	Dartford	Nil	20
Legal Services	Shared Management	April 2009 to March 2011	Tonbridge & Malling	Nil	25
GIS Service	Contractual	Oct 2009 to Mar 2012	Dartford	Nil	15
Maternity cover for Tonbridge & Malling Community Safety Co-ordinator 0.4 FTE	Shared Management	Jan-11	Tonbridge and Malling	Nil	15
Shared Head of Development Services	Shared Management	Oct-08	Tunbridge Wells	Nil	20
Shared Building Control Manager	Shared Management	Oct 2011 to Sept 2013	Tonbridge & Malling	Nil	26

FINANCIAL RESULTS 2013/14 – to the end of September 2013

Finance and Resources Advisory Committee – 12 November 2013

Report of Group Manager Financial Services

Status: For consideration

Key Decision: No

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

Portfolio Holder Cllr. Ramsey

Contact Officer(s) Helen Martin Ext. 7483

Recommendation to Finance and Resources Advisory Committee: That the report be noted.

Introduction and Background

Overall Financial Position

1. Six months into the year the results to date show an overall favourable variance of £444,000. Reasons for this current favourable variance are explained in the individual commentaries from Chief Officers
2. The year-end position is forecast to be £30,000 better than budget.

Key Issues for the year to date

3. **Income** – investment income is performing above target and is forecast to be better than budgeted at the year-end. This is due to higher than estimated balances and slightly higher rates being achieved during the year so far, and a favourable forecast is shown to reflect this position.
4. Income from on-street parking, land charges and development management are achieving or exceeding budget targets at the end of September.
5. **Pay costs** – the actual expenditure to date on SDC funded salaried staff is £127,000 below budget. An underspending of £167,000 relates to Direct Services and will be offset by agency staff costs held within the trading account. Additional resources are being used to address the Benefits workload and costs will be met by additional funding from both partners. The 1% pay award will be paid in October.
6. **Other** – Direct Services' results show a positive variance of £98,000 compared to budget.

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7. Costs amounting to £30,000 were incurred in facilitating the sale of 66 London Road.

Year End Forecast

8. The year-end position is forecast to be £30,000 better than budget.
9. Extra investment income is still a favourable variance, however interest rates are expected to remain low into the future. Income from council tax court costs is expected to be above budget for the year.
10. Following the sale of 66 London Road, there will be a saving on rent and rates at that site. Expenditure is forecast to be £76,000 below budget.
11. The contracts for markets at Sevenoaks and Swanley were re-tendered in 12/13 following the voluntary liquidation of the previous operators. Income from these new contracts is forecast to be £62,000 worse than budget.
12. Car Parking income, mainly pay and display, is now expected to be £70,000 worse than budget.
13. Direct Services are forecasting a favourable variance of £25,000 for the year.
14. Planning Services are now predicting that Planning fee income will be £95,000 better than budget.
15. The review of the senior management structure did not take effect until 1 September and as a result the full salary saving will not be met in 2013/14 although this shortfall of £48,000 will be met from other Corporate savings. The full saving will be delivered in future years.

Risk areas

16. The current economic situation continues to have a real and potential impact on the Council's finances:
 - the investment strategy is constantly under review in light of the changing long term credit ratings which affects the number of organisations the Council can invest in. The annual budget for investment income is £229,000 and a reduction of 0.1% in the rate of interest we are able to achieve could reduce our income by £28,000;
 - property related income such as Development Control (particularly pre-application fees and S106 monitoring), Building Control, Land Charges remain vulnerable. The income budget for these major items is £1.294m and the current predicted favourable variance of £65k represents 5% of the budget;
 - the Benefits workload is at a higher level than before the recession. Agency staff are being used to address the workload and to fill any vacancies due to uncertainties relating to Universal Credit;

- Council Tax collection rates, though currently in line with 2012/13 (in-year collection rate of 98.5%), could be affected by increased unemployment and squeezed household incomes; and
- Changes in the price of diesel could have a significant impact on Direct Services. Annual fuel consumption is about 420,000 litres, and each 1p per litre increase would result in increased costs of £4,200.

17. Planned savings through the generation of income, particularly from new partnership working, remain risk areas for the current and for future years.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972, the Section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

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

Equality 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?	No	The recommendation is concerned with sound control of the Councils finances and does not directly impact on services 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

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Appendices

Appendix – September Budget Monitoring Reports

Adrian Rowbotham

Group Manager Financial Services

2. Overall Summary		September 13 - Final										2012/13			
Period	Budget	Period		Period		Y-T-D		Y-T-D		Y-T-D		Annual Budget	Annual Forecast (including Accruals)	Annual Variance	Actual
		Actual	Variance	Actual	Variance	Budget	Variance	Actual	Variance	£'000	£'000				
	£'000	£'000	£'000	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	£'000	£'000
Communities and Business	64	74	-10	15.3	560	500	61	10.8	1,011	1,008	3	966			
Corporate Support	320	279	41	12.8	1,714	1,661	53	3.1	3,103	3,145	-42	2,808			
Environmental and Operational Services	110	221	-111	-100.8	1,313	1,391	-78	-6.0	2,501	2,652	-151	2,816			
Financial Services	379	334	45	11.9	2,007	1,910	97	4.8	4,688	4,632	55	4,408			
Housing	63	41	22	34.7	446	425	21	4.6	773	773	-	728			
Legal and Governance	44	38	7	14.7	353	299	53	15.1	616	604	12	593			
Planning Services	100	71	29	28.7	643	522	121	18.8	1,368	1,258	111	1,261			
NET EXPENDITURE (1)	1,080	1,059	22	2.0	7,035	6,709	327	4.6	14,059	14,072	-13	13,579			
<i>Adjustments to reconcile to Amount to be met from Reserves</i>															
Direct Services Trading Accounts	-8	-32	24	317.1	-129	-227	98	76.4	-64	-88	25	-73			
Capital charges outside General Fund	-5	-5	0	7.1	-29	-31	2	7.1	-58	-58	-	-54			
Support Services outside General Fund	-11	-11	0	0.0	-69	-69	0	0.0	-138	-138	-	-167			
Redundancy Costs - all	-	0	-0	-	-	7	-7	-	-	-	-	-			
NET EXPENDITURE (2)	1,057	1,010	46	4.4	6,808	6,388	421	6.2	13,800	13,788	12	13,285			
Government Grant	-458	-458	-	0.0	-2,749	-2,749	-	-	-5,498	-5,498	-	-4,646			
Council Tax Requirement - SDC	-727	-727	-	0.0	-4,364	-4,364	-	-	-8,728	-8,728	-	-9,251			
NET EXPENDITURE (3)	-129	-175	46	-35.9	-305	-725	421	138.1	-426	-438	12	-612			
<i>Summary including investment income</i>															
Net Expenditure	-129	-175	46	-35.9	-305	-725	421	138.1	-426	-438	12	-612			
Investment Impairment	-	-	-	-	-	-	-	-	-	-	-	-			
Interest and Investment Income	-22	-22	0	-0.6	-122	-145	24	19.4	-229	-246	17	-323			
Overall total	-151	-197	46	30.7	-426	-870	444	104.2	-655	-685	30	-935			
Planned appropriation (from)/to Reserves															
Supplementary appropriation from Reserves															
Surplus															
												655	655	-	-
												-	-	-	-
												-	-30	30	-935

3. Net Service Expenditure for each Chief Officer - analysed by Budget area

September 13 - Final

Communities & Business

SDC Funded

	Period			Period			Period			Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual Budget	Annual Forecast (including Accruals)	Annual Variance	2012/13 Actual
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance								
Administrative Expenses - Communities & Business	1	0	1	69.4			7	4	3	37.5			14	14	-	9	
All Weather Pitch	-0	-0	0	-			-1	-1	0	4.4			-2	-2	-	-2	
Community Development Service Provisions	-0	1	-1	-			-1	-5	4	406.0			-2	-2	-	-11	
Community Safety	17	20	-3	-16.4			103	99	4	3.9			206	206	-	205	
Economic Development	3	0	3	94.4			26	31	-4	-16.3			45	45	-	41	
Grants to Organisations	3	3	-0	-3.7			168	168	0	0.0			183	183	-	178	
Health Improvements	4	4	-0	-0.6			23	22	1	3.5			46	46	-	42	
Leisure Contract	11	9	1	12.7			105	97	8	7.8			282	282	-	259	
Leisure Development	-	-	-	-			10	10	-	-			20	20	-	20	
STAG Community Arts Centre	-	-	-	-			50	50	0	0.8			75	75	-	100	
The Community Plan	5	5	1	13.1			32	35	-2	-7.6			65	65	-	59	
Tourism	1	2	-1	-83.8			22	18	3	15.5			29	29	-	24	
West Kent Partnership	3	7	-5	-180.6			-13	-9	-3	-26.5			-	-	-	-	
Youth	3	1	2	65.1			30	16	14	47.4			50	47	3	39	
Total Communities & Business (SDC Funded)	50	52	-1	-2.7			561	534	27	4.9			1,011	1,008	3	966	

Externally Funded

Big Community Fund	-	-	-	-			-	1	-1	-			-	-	-	-
Choosing Health WK PCT	11	39	-29	-263.8			2	11	-9	-466.0			-	-	-	-
Falls Prevention	-	0	-0	-			-	2	-2	-			-	-	-	-
New Ash Green	-	1	-1	-			-	1	-1	-			-	-	-	-
Partnership - Home Office	3	-9	12	402.5			-3	-29	27	1,063.9			-	-	-	-
PCT Health Checks	-	1	-1	-			-	-1	1	-			-	-	-	-
PCT Initiatives	-	-1	1	-			-	-9	9	-			-	-	-	-
West Kent Partnership Business Support	-	-9	9	-			-	-9	9	-			-	-	-	-
Total Communities & Business (Ext Funded)	14	22	-8	-61.7			-1	-34	33	6,505.1			-	-	-	-
Total Communities & Business	64	74	-10	-15.3			560	500	61	10.8			1,011	1,008	3	966

3. Net Service Expenditure for each Chief Officer - analysed by Budget area																					
September 13 - Final																					
	Period			Period			Period			Y-T-D		Y-T-D		Y-T-D		Annual		2012/13			
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Forecast (including Accruals)	Annual	Annual	Annual	Actual	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
			%			%			%			%			%						
Corporate Support																					
Administrative Expenses - Corporate Support	2	5	-2	-113.5	15	12	3	19.5								30	30	-	23		
Administrative Expenses - Human Resources	1	0	1	87.5	6	1	5	75.8								16	11	5	14		
Asset Maintenance Argyle Road	-	1	-1	-	20	22	-2	-11.4								45	45	-	22		
Asset Maintenance Hever Road	-	-	-	-	2	1	1	38.0								6	6	-	-		
Asset Maintenance IT	98	97	1	0.5	149	149	-1	-0.5								290	290	-	300		
Asset Maintenance Leisure	11	13	-2	-19.4	55	58	-3	-5.5								165	165	-	91		
Asset Maintenance Other Corporate Properties	-	-	-	-	10	4	6	61.6								30	30	-	21		
Asset Maintenance Sewage Treatment Plants	-	2	-2	-	4	2	2	44.3								8	8	-	-		
Asset Maintenance Support & Salaries	8	7	1	14.8	47	50	-3	-6.1								95	95	-	118		
Bus Station	-	0	-0	-	9	5	4	46.7								14	14	-	9		
Estates Management - Buildings	-8	-15	7	85.6	-1	21	-21	-3,995.7								-76	-46	-30	-40		
Housing Premises	-0	-2	2	-	-9	-8	-1	-15.3								-8	-8	-	-10		
Support - Central Offices	30	22	7	25.1	313	307	7	2.1								405	405	-	385		
Support - Central Offices - Facilities	21	17	4	17.6	116	100	16	14.0								261	261	-	239		
Support - Contact Centre	35	35	0	1.1	200	185	14	7.1								414	414	-	379		
Support - General Admin	11	20	-10	-89.6	115	101	14	12.0								257	269	-12	235		
Support - Human Resources	22	20	1	5.9	122	121	1	0.5								251	256	-5	209		
Support - IT	55	20	35	63.7	454	427	27	5.9								778	778	-	685		
Support - Local Offices	29	29	0	0.9	54	53	1	1.2								55	55	-	52		
Support - Nursery	-	0	-0	-	-	1	-1	-								-	-	-	3		
Support - Property Function	6	7	-1	-19.2	33	47	-13	-40.1								70	70	-	72		
Total Corporate Support	320	279	41	12.8	1,714	1,661	53	3.1								3,103	3,145	-42	2,808		

3. Net Service Expenditure for each Chief Officer - analysed by Budget area												
	Period			Period			Period			2012/13		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Annual Budget	Annual Forecast (including Accruals)	Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
September 13 - Final												
Environmental and Operational Services												
Administrative Expenses - Building Control	1	0	1	4	3	2	40.3			9	9	-
Administrative Expenses - Direct Services	-	0	-0	-	0	-0				-	-	-
Administrative Expenses - Health	2	1	1	12	5	7	57.0			25	25	-
Administrative Expenses - Transport	1	1	0	5	3	2	35.7			9	9	-
Air Quality (Ext Funded)	-	2	-2	-	2	-2				-	-	-
Asset Maintenance Car Parks	1	-	1	8	-	8	100.0			16	41	-25
Asset Maintenance CCTV	1	-	1	6	2	3	58.5			12	12	-
Asset Maintenance Countryside	0	-	0	3	-	3	100.0			10	8	2
Asset Maintenance Direct Services	2	1	2	14	2	12	88.6			27	27	-
Asset Maintenance Playgrounds	1	-	1	4	3	1	34.3			8	5	3
Asset Maintenance Public Toilets	1	0	1	4	0	4	94.5			8	5	3
Building Control	-7	1	-8	-43	-54	11	26.2			-85	-85	-
Building Control Discretionary Work	-0	1	-1	-0	1	-1				-0	-0	-
Car Parks	-160	-147	-13	-824	-777	-47	-5.7			-1,667	-1,597	-70
CCTV	12	15	-3	142	146	-4	-3.0			244	244	-
Civil Protection	2	2	1	17	15	3	15.2			32	32	-
Dangerous Structures	2	2	0	11	11	-0	-0.1			23	23	-
Dartford Environmental Hub (SDC Costs)	-0	-	-0	-0	0	-0				-	-	-
EH Animal Control	0	-0	0	0	9	-9				1	13	-12
EH Commercial	22	20	1	131	125	5	4.2			262	262	-
EH Environmental Protection	31	30	1	210	188	22	10.5			393	373	20
Emergency	5	5	0	31	29	1	4.5			62	62	-
Environmental Health Partnership	-	-	-	-	-	-				-	-	-
Estates Management - Grounds	8	5	3	47	40	7	15.2			95	95	-
Land Charges	-7	-12	4	-50	-64	13	26.6			-91	-101	10
Licensing Partnership Hub (Trading)	-0	-2	2	-0	-12	12				-	-	-
Licensing Partnership Members	-	-	-	-	-	-				-	-	-
Licensing Regime	-19	4	-22	-18	21	-39	-218.7			-3	17	-20
Markets	-15	-7	-9	-128	-92	-36	-28.1			-261	-198	-62
On-Street Parking	-30	-22	-8	-202	-191	-12	-5.7			-408	-408	-
Parks and Recreation Grounds	8	11	-3	48	67	-19	-39.3			97	97	-
Parks - Rural	7	8	-1	40	33	7	17.4			80	80	-
Public Conveniences	3	4	-1	24	28	-4	-18.9			41	41	-
Public Transport Support	0	0	-0	0	1	-0				0	0	-
Refuse Collection	138	204	-66	1,177	1,223	-46	-3.9			2,282	2,282	-

Street Cleansing	97	96	1	0.7	608	610	-3	-0.4	1,213	1,213	-	1,163
Street Naming	1	1	0	23.7	7	3	3	48.8	13	13	-	3
Support - Direct Services	4	3	1	27.5	26	16	10	37.4	52	52	-	39
Support - Health and Safety	1	1	1	46.0	9	6	3	35.0	18	18	-	20
Taxis	-2	-5	3	114.8	-9	-12	4	41.5	-16	-16	-	-12
Total Environmental and Operational Services	110	221	-111	-100.8	1,313	1,391	-78	-6.0	2,501	2,652	-151	2,816

3. Net Service Expenditure for each Chief Officer - analysed by Budget area

September 13 - Final

Financial Services

	Period		Period		Period		Y-T-D		Y-T-D		Y-T-D		Annual		2012/13		
	Budget	Actual	Variance	£'000	%	Budget	Actual	Variance	£'000	%	Budget	Actual	Variance	£'000	Forecast (including Accruals)	Annual Variance	£'000
Action and Development	1	-	1	100.0		3	0	3	92.4		7	7	-	7	7	-	6
Administrative Expenses - Chief Executive	1	1	0	41.1		7	4	2	37.7		13	13	-	13	13	-	7
Administrative Expenses - Community Director	1	0	1	75.8		7	2	5	75.6		14	14	-	14	14	-	7
Administrative Expenses - Corporate Director	1	0	0	91.1		3	6	-2	-69.0		7	7	-	7	7	-	6
Administrative Expenses - Financial Services	3	4	-0	-6.4		21	14	7	34.4		42	42	-	42	42	-	29
Administrative Expenses - Transformation and Strategy	1	0	0	93.8		3	0	3	86.3		6	6	-	6	6	-	-
Benefits Admin	1	0	1	84.4		-98	-118	20	20.4		863	863	-	863	863	-	1,008
Benefits Grants	-43	-38	-5	-11.2		-259	-253	-5	-2.1		-659	-659	-	-659	-659	-	-659
Consultation and Surveys	-	-	-	-		-	-	-	-		3	3	-	3	3	-	-
Corporate Management	298	30	268	90.0		608	350	257	42.3		990	942	48	990	942	48	842
Corporate Savings	-244	-	-244	-100.0		-257	-	-257	-100.0		-268	-184	-84	-268	-184	-84	-
Dartford Partnership Hub (SDC costs)	154	158	-4	-2.5		919	1,032	-113	-12.3		1	1	-	1	1	-	-541
Dartford Partnership Implementation & Project Costs	14	5	10	67.3		-116	-160	44	37.7		-30	-30	-	-30	-30	-	-
Equalities Legislation	-	-	-	-		17	14	3	19.8		17	14	3	17	14	3	13
External Communications	12	5	7	58.7		73	71	2	3.2		143	143	-	143	143	-	136
Housing Advances	-	-	-	-		5	2	2	48.7		5	2	2	5	2	2	3
Local Tax	-36	-33	-3	-9.4		-299	-277	-22	-7.4		127	107	20	127	107	20	346
Members	34	24	10	29.6		204	167	37	18.0		407	407	-	407	407	-	366
Misc. Finance	140	134	6	4.5		897	841	56	6.3		2,276	2,200	76	2,276	2,200	76	2,157
Performance Improvement	-	-	-	-		6	-9	14	250.6		6	6	-	6	6	-	5
Support - Audit Function	-2	-	-2	-100.0		-20	-18	-2	-12.2		145	145	-	145	145	-	161
Support - Exchequer and Procurement	11	10	0	4.1		64	61	3	4.4		135	135	-	135	135	-	127
Support - Finance Function	19	11	7	39.3		111	66	45	40.4		224	224	-	224	224	-	130
Support - General Admin	9	8	1	15.0		64	61	3	4.8		123	123	-	123	123	-	146
Treasury Management	8	17	-9	-124.2		45	53	-8	-18.8		90	101	-11	90	101	-11	111
Total Financial Services	379	334	45	11.9		2,007	1,910	97	4.8		4,688	4,632	55	4,688	4,632	55	4,408

3. Net Service Expenditure for each Chief Officer - analysed by Budget area																			
Housing	Period			Period			Period			Y-T-D		Y-T-D		Y-T-D		Annual		2012/13	
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Forecast (including Accruals)	Annual	Annual	Actual
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
			%			%			%			%			%				
Administrative Expenses - Housing	1	4	-3	9	10	-2	9	10	-23.4	17	17	-	17	17	-	12			12
Energy Efficiency	9	2	7	15	16	-1	15	16	-5.9	22	22	-	22	22	-	22			22
Gypsy Sites	-2	-3	1	-11	-15	4	-11	-15	38.6	-23	-23	-	-23	-23	-	-24			-24
Homeless	8	-5	13	47	43	4	47	43	8.3	106	106	-	106	106	-	116			116
Homelessness Funding	3	8	-5	17	13	4	17	13	24.2	-	-	-	-	-	-	-			-
Homelessness Prevention	-	0	-0	-	9	-9	-	9	-	-	-	-	-	-	-	-			-
Housing	26	28	-2	269	263	6	269	263	2.2	438	438	-	438	438	-	378			378
Housing Initiatives	1	-1	2	4	2	2	4	2	47.2	8	8	-	8	8	-	9			9
Housing Option - Trailblazer	-	-4	4	-	4	-4	-	4	-	-	-	-	-	-	-	-			-
KCC Loan Scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-1
Leader Programme	1	1	0	4	4	0	4	4	4.7	9	9	-	9	9	-	9			9
Needs and Stock Surveys	-	-	-	-	-	-	-	-	-	13	13	-	13	13	-	13			13
Private Sector Housing	15	11	4	92	75	17	92	75	18.6	183	183	-	183	183	-	174			174
Total Housing	63	41	22	446	425	21	446	425	4.6	773	773	-	773	773	-	728			728

3. Net Service Expenditure for each Chief Officer - analysed by Budget area

September 13 - Final

Legal and Governance

	Period			Period			Period			Y-T-D			Y-T-D			Y-T-D			Annual			2012/13	
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Forecast (including Accruals)	Annual Variance	Actual	
	£'000	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000	%	£'000	£'000	%	£'000	£'000	%	£'000	£'000	£'000	£'000	
Administrative Expenses - Legal and Governance	3	2	1	32.2	40	26	14	35.1	73	61	12	67	13										
Civic Expenses	0	0	0	-	14	14	0	1.8	15	15	-	13	2										
Committee Admin	9	9	0	4.8	52	50	2	3.7	106	106	-	93	13										
Elections	7	1	7	92.0	79	78	2	2.2	71	71	-	65	6										
Register of Electors	7	11	-5	-70.6	59	29	30	51.1	135	135	-	117	18										
Support - Legal Function	18	15	3	15.8	108	103	5	4.7	216	216	-	237	21										
Total Legal and Governance	44	38	7	14.7	353	299	53	15.1	616	604	12	593	23										

3. Net Service Expenditure for each Chief Officer - analysed by Budget area

September 13 - Final

Planning Services

	Period			Period			Period			Y-T-D			Y-T-D			Y-T-D			Annual			2012/13	
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Forecast (including Accruals)	Annual Variance	Actual	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Administrative Expenses - Planning Services	3	1	1	16	12	4	26.2															21	
Affordable Housing	-	0	-0	-	3	-3	-															-	
Conservation	4	5	-0	25	25	1	2.4															44	
LDF Expenditure	-	2	-2	-	2	-2	-															-	
Planning - Appeals	16	17	-1	93	79	14	14.9															166	
Planning - Counter	-0	-0	0	-0	0	0	-															-	
Planning - Development Management	27	3	24	208	111	97	46.6															429	
Planning - Enforcement	23	22	1	135	131	4	2.8															259	
Planning Policy	28	21	7	165	158	7	4.2															342	
Total Planning Services	100	71	29	643	522	121	18.8															1,261	

4. Cumulative Salary Monitoring

September 13 - Final

Communities and Business
Corporate Support

Environmental & Operational Services:

- Building Control

- Environmental Health

- Licensing

- Operational Services

- Parking & Amenity Services

Financial Services

Housing

Legal & Governance

Planning Services

Sub Total

Council Wide - Vacant Posts

Performance Award Contingency

Market Premiums

TOTAL SDC Funded Salary Costs

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

Communities and Business Ext. Funded

Housing Ext. Funded

TOTAL All Salary Costs

Less Allocs to Trading a/cs inc Ext Funded TASK

Less Allocations to Capital and Asset maint. etc

Check total to Pay Costs

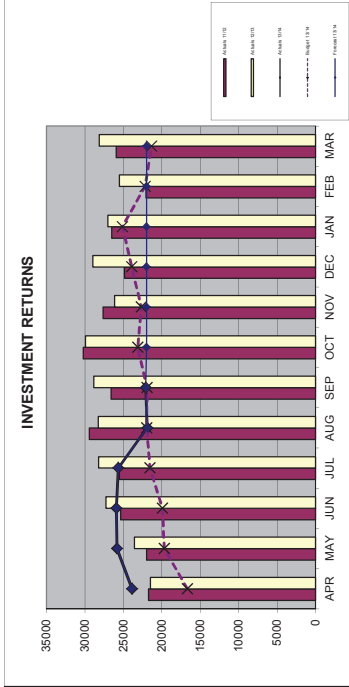
Period	Period		Period		Y-T-D		Y-T-D		Y-T-D		Annual Budget	Annual Forecast (including Accruals)	Annual Variance
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual			
£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	£'000
31	26	5	15.9	185	187	-2	-1.3	372	372	-	372	372	-
153	149	4	2.6	821	781	40	4.8	1,740	1,740	-	1,740	1,740	-
436	403	33	7.6	2,592	2,406	185	7.1	5,206	5,039	167	5,206	5,039	167
36	40	-3	-9.3	196	196	0	0.0	413	413	-	413	413	-
50	49	2	3.7	302	301	1	0.4	604	604	-	604	604	-
24	22	3	11.0	145	135	11	7.3	291	291	-	291	291	-
289	260	30	10.3	1,713	1,546	167	9.7	3,450	3,283	167	3,450	3,283	167
35	33	2	5.6	235	229	6	2.7	447	447	-	447	447	-
203	224	-21	-10.6	1,313	1,418	-106	-8.0	2,528	2,528	-	2,528	2,528	-
47	46	1	1.2	309	313	-4	-1.3	589	589	-	589	589	-
44	42	2	5.5	278	276	2	0.7	544	544	-	544	544	-
152	147	5	3.6	907	880	27	3.0	1,819	1,784	36	1,819	1,784	36
1,065	1,036	29	2.7	6,405	6,262	142	2.2	12,799	12,596	203	12,799	12,596	203
-7	-	-7	-100.0	-20	-	-20	-100.0	-68	-32	-36	-68	-32	-36
-	-	-	-	-	-	-	-	48	48	-	48	48	-
5	-	5	100.0	5	-	5	100.0	42	42	-	42	42	-
1,063	1,036	27	2.5	6,389	6,262	127	2.0	12,821	12,655	167	12,821	12,655	167
9	15	-5	-57.6	56	71	-15	-26.8	112	137	-25	112	137	-25
16	12	4	24.2	98	71	27	27.5	196	196	-	196	196	-
26	27	-1	-5.5	154	142	12	7.8	309	334	-25	309	334	-25
1,088	1,063	25	2.3	6,544	6,405	139	2.1	13,130	12,988	141	13,130	12,988	141
-243	-214	-28	-11.7	-1,456	-1,294	-162	-11.1	-2,913	-2,913	-	-2,913	-2,913	-
846	849	-3	-0.4	5,087	5,111	-23	-0.5	10,216	10,075	141	10,216	10,075	141

DIRECT SERVICES SUMMARY

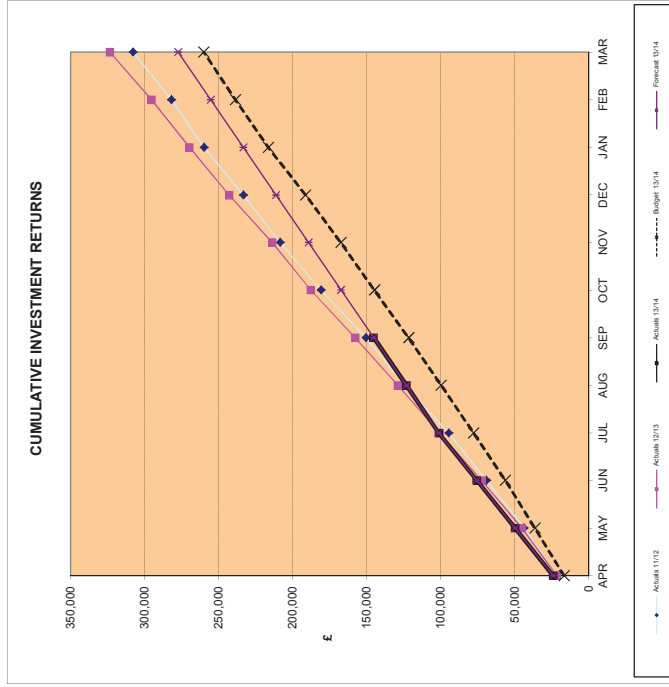
Sep-13	PERIOD						Y-T-D				ANNUAL				Y-T-D NET VARIANCE				ANNUAL NET VARIANCE			
	Budget	Actual	Actual / Budget	Variance	Budget	Actual	Actual / Budget	Variance	Budget	Forecast	Variance	Net Budget by Service	Net Actual by Service	Variance by Service	Net Budget by Service	Net Actual by Service	Variance by Service	Net Budget by Service	Net Actual by Service	Variance by Service		
	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Income																						
Refuse	-184	-184	0%	-1,098	-1,103	0%	4	-2,197	-2,197			27	-13	39	53	3	50					
Street Cleaning	-96	-97	1%	-578	-580	0%	2	-1,157	-1,157			21	6	15	43	23	20					
Trade	-26	-26	-1%	-208	-208	0%		-364	-360	-4		-43	-48	5	-35	-35						
Workshop	-44	-64	45%	-266	-306	15%	40	-531	-570	-39		-5	-31	26	-10	-10						
Green Waste	-48	-32	-33%	-276	-286	4%	11	-408	-440	32		-100	-110	10	-70	-70						
Premises Cleaning	-7	-7	0%	-66	-66	1%	1	-108	-108			-14	-13	-1	-5	4	-9					
Cesspools	-21	-23	11%	-125	-126	1%	1	-250	-250			-16	-10	-5	-31	-20	-11					
Pest Control	-11	-7	-30%	-57	-42	-25%	-14	-80	-60	-20		-17	-4	-12	15	-15						
Grounds	-10	-11	5%	-62	-62	1%	1	-126	-126			-1	11	-12	-11	6	-17					
Fleet	-66	-63	-5%	-397	-385	-3%	-13	-795	-795				-8	8								
Depot	-17	-21	18%	-111	-130	17%	19	-274	-280	6		19	-5	24	2	-4	6					
Emergency	-4	-4	0%	-24	-24	0%		-48	-48			1	-2	3	2	2						
Total Income	-536	-539	1%	-3,268	-3,319	2%	51	-6,339	-6,391	52		-129	-227	98	-64	-88	25					
Expenditure																						
Refuse	187	187	0%	1,125	1,090	3%	35	2,250	2,200	50												
Street Cleaning	100	97	3%	600	587	2%	13	1,200	1,180	20												
Trade	27	24	13%	165	160	3%	5	329	325	4												
Workshop	43	52	-19%	260	275	-6%	-15	521	560	-39												
Green Waste	36	28	21%	175	176	0%	-1	338	370	-32												
Premises Cleaning	9	7	21%	52	53	-3%	-2	103	112	-9												
Cesspools	18	20	-8%	109	116	-6%	-6	219	230	-11												
Pest Control	7	7	0%	40	38	5%	2	80	75	5												
Grounds	10	12	-17%	60	73	-21%	-13	114	132	-18												
Fleet	66	55	17%	397	377	5%	20	795	795													
Depot	20	16	21%	130	125	4%	5	276	276													
Emergency	4	4	10%	25	22	13%	3	50	48	2												
Total Expenditure	528	508	4%	3,139	3,092	2%	47	6,275	6,303	-28		-129	-227	98	-64	-88	25					
Net	-8	-32	317%	24	-129	76%	98	-64	-88	25												

INVESTMENT RETURNS

INVESTMENT RETURNS	Actuals		Budget	Variance	Forecast
	11/12	12/13			
APR	21,722	21,489	23,889	16,680	23,900
MAY	21,983	23,571	25,821	19,662	25,800
JUN	25,342	27,280	25,924	19,910	25,900
JUL	25,498	28,227	25,660	21,538	25,700
AUG	29,446	28,256	21,900	21,963	21,900
SEP	26,586	28,853	22,069	21,931	22,100
OCT	30,200	29,941		23,118	22,000
NOV	27,636	26,144		22,656	22,000
DEC	24,871	28,954		23,914	22,000
JAN	26,525	26,999		25,109	22,000
FEB	22,078	25,505		22,172	22,000
MAR	25,935	28,159		21,347	22,000
	307,822	323,378	145,263	260,000	277,300



INVESTMENT RETURNS (CUMULATIVE)	Actuals		Budget	Variance	Forecast
	11/12	12/13			
APR	21,722	21,489	23,889	16,680	23,900
MAY	43,705	45,060	49,710	36,342	49,700
JUN	69,047	72,340	75,634	56,252	75,600
JUL	94,545	100,567	101,294	77,790	101,300
AUG	123,991	128,823	123,194	99,753	123,200
SEP	150,577	157,676	145,263	121,684	145,300
OCT	180,777	187,617		144,802	167,300
NOV	208,413	213,761		167,458	189,300
DEC	233,284	242,715		191,372	211,300
JAN	259,809	269,714		216,481	233,300
FEB	281,887	295,219		238,653	255,300
MAR	307,822	323,378		260,000	277,300



BUDGET FOR 2013/14 260,000
 FORECAST OUTTURN 277,300

CODE:- YHAA 96900

N.B.

- 1) These are the gross interest receipts rather than the interest remaining in the General Fund
- 2) Interest due on the Landsbanki investment has been removed from the calculations as from 25/6/2008

Fund Average 0.8160%
 7 Day LIBID 0.3925%
 3 Month LIBID 0.5386%

STAFFING STATISTICS
SEPTEMBER 2013

Appendix A

Agenda Item 11

	BDGT BOOK FTE REV	STAFF FTE	AGENCY STAFF	CASUAL FTE	TOTAL	COMMENTS / VARIATIONS	AUGUST TOTALS
Communities and Business	8.54	8.00	0.00	0.67	8.67		11.88
Corporate Support	58.03	56.12	0.00	0.00	56.12	Now includes Contact Centre, Human Resources, Secretariat and Property	38.07
Environmental & Operational Services	159.18	146.57	12.12	0.60	159.29		162.12
Operational Services	115.77	106.16	12.12	0.60	118.88	Includes Grounds Maintenance, plus D.Boorman	126.59
Env Health	12.57	12.57	0.00	0.00	12.57		13.57
Licensing	8.81	7.81	0.00	0.00	7.81	Still includes R.Froud (Should be Op Services)	9.35
Parking	12.61	12.61	0.00	0.00	12.61	Was Building Control, now includes Land Charges	12.61
Surveying Services	9.42	7.42	0.00	0.00	7.42	Includes P.Ramewal, plus Transformation & Strategy. No longer includes Human Resources, Contact Centre or Property. All now in Corporate Support	6.81
Financial Services	63.46	60.93	5.00	0.72	66.65		64.65
Housing	11.89	12.24	0.00	0.00	12.24	No longer includes Communications	12.24
Legal and Governance	11.92	11.31	0.00	0.00	11.31	No longer includes 'Policy' - now Fin Serv or 'Land Charges' - now Surveying Services	14.73
Planning Services	47.19	48.07	2.00	0.00	50.07		51.10
Posts Removed under SMT Review	3.00						
SUB TOTAL	363.21	343.24	19.12	1.99	364.35		378.12
EXTERNALLY FUNDED POSTS							
Communities and Business	2.54	3.54	0.00	0.00	3.54	Includes Graduate Trainee Economic Development Officer	2.54
Housing	6.00	4.49	0.00	0.00	4.49	1 post is part funded by SDC (see Housing permanent posts).	4.49
SUB TOTAL	8.54	8.03	0.00	0.00	8.03		7.03
TOTALS	371.75	351.27	19.12	1.99	372.38		365.15
Number of staff paid in September:							
383 permanent, 8 casuals							

Reserves

	01/04/13 £000	Movement in month £000	Cumulative to date £000	Balance as at end September 13 £000	31/3/14 budget £000	31/3/14 forecast £000
Provisions						
Edenbridge Relief Road Compensation	0			0	0	0
Accumulated Absences	152			152	152	152
Municipal Mutual Insurance (MMI)	305			305	211	305
Others	34			34	0	0
	491	0	0	491	363	457
Capital Receipts(Gross)	1,693	-6	2,172	3,865	2,915	3,567
Note: this balance will reduce at year end as the receipts are used to finance capital expenditure						
Earmarked Reserves						
Financial Plan	5,224			5,224	4,635	4,644
Budget Stabilisation	4,051		1	4,052	4,703	5,223
New Homes Bonus	594			594	406	259
Housing Benefit subsidy	1,021			1,021	1,161	1,020
Asset Maintenance	1,000			1,000	1,000	1,000
First Time Sewerage	915			915	715	915
Vehicle Renewal	508			508	292	309
Reorganisation (previously Termination)	386			386	-21	486
LDF	520			520	456	597
Community Development	460	-8	-17	443	470	460
Carry Forward Items	144	-19	-81	63	222	63
Action and Development	395			395	295	395
Vehicle Insurance	277			277	287	277
Pension Valuation	810			810	1,018	1,200
Big Community Fund	110			110	0	0
Rent Deposit Guarantees	112			112	82	112
Local Strategic Partnership	76			76	82	76
Homelessness Prevention	197		-20	177	134	197
IT Asset Maintenance	315			315	0	0
Others	516	1	9	525	432	625
	17,631	-26	-108	17,523	16,369	17,858
General Fund						
Required Minimum	1,500				1,500	1,500
Available Balance	2,213				2,213	2,213
	3,713				3,713	3,713
TOTAL	23,528				23,360	25,595

9. Capital

September 13 - Final

COMMDEV Big Community Fund - Capital
 COMMDEV Parish Projects
 ENVOPS Vehicle Purchases
 HOUSING Improvement Grants
 HOUSING WKHA Adaps for Disab Financing Costs Advances
 HOUSING SDC - HMO Grants
 HOUSING RHPCCG 10-11 SDC
 HOUSING RHPCCG - Discretionary Grants
 DEVCONT Affordable Housing

	Period		Period		Period		Y-T-D		Y-T-D		Y-T-D		Y-T-D		Annual		Annual		
	Budget	Actual	Variance	£'000	£'000	Variance	%	Budget	Actual	Variance	£'000	%	Budget	Actual	Variance	£'000	£'000	Variance	
	-	3	-3		-			-	25	-25			-	61	61		-	-	
	15	-	15	100.0	31	100.0	100.0	-	-	31	100.0	100.0	61	61	0	61	61	0	
	15	-	15	100.0	194	95	49.1	194	99	95	49.1	49.1	650	650	0	650	650	0	
	29	19	10	34.5	176	83	47.0	176	94	83	47.0	47.0	353	353	0	353	353	0	
	21	14	7	34.2	125	64	48.8	125	64	61	48.8	48.8	250	250	0	250	250	0	
	-	-	-	-	-	2	-2	-	2	-2	-2	-2	-	-	-	-	-	-	-
	-	-	-	-	-	6	-6	-	6	-6	-6	-6	-	-	-	-	-	-	-
	-	-	-	-	-	24	-24	-	24	-24	-24	-24	-	-	-	-	-	-	-
	-	125	-125		-	342	-342	-	342	-342	-342	-342	-	-	-	-	-	-	-
	81	160	-80	-99.3	526	656	-130	-24.7	526	656	-130	-24.7	1,314	1,314	0	1,314	1,314	0	

* Improvement Grants budget shown net of Government grant.

CUMULATIVE INCOME FIGURES

September 2013

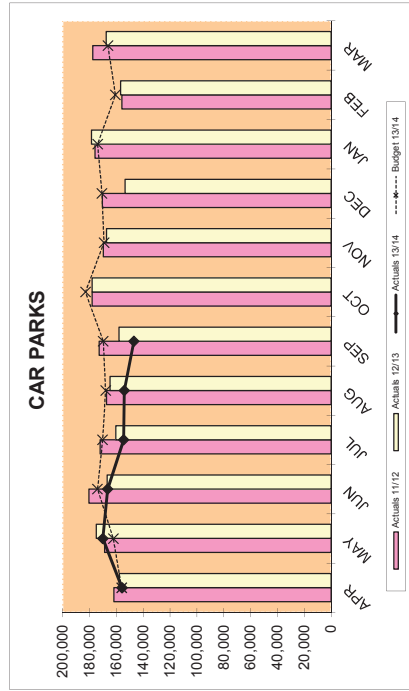
Agenda Item 11

	Comparison of 12/13 and 13/14, where a minus is 'bad news'	MANAGER'S PROFILED BUDGET	Variance, where a minus is 'bad news'	ANNUAL BUDGET	Annual Forecast
CAR PARKS	947,653	1,000,311	-52,658	2,024,027	1,954,027
ON-STREET PARKING	432,548	420,791	11,757	844,190	844,190
LAND CHARGES	93,907	83,240	10,667	157,225	167,225
BUILDING CONTROL	228,108	231,030	-2,922	462,069	442,069
DEVELOPMENT MANAGEMENT	405,123	337,470	67,653	674,972	749,972
	2,107,339	2,072,842	34,497	4,162,483	4,157,483

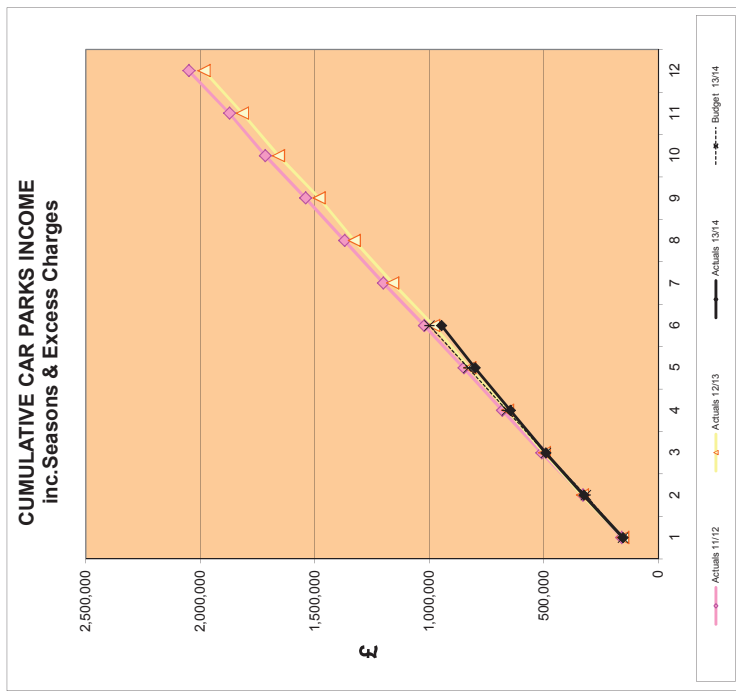
Appendix A

10 Car Parks Graphs

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Actuals-Budget)	Manager's Forecast
1 APR	161,707	157,819	155,699	-2,120	156,090	-391	
2 MAY	168,722	174,830	169,965	-4,865	162,201	7,764	
3 JUN	180,368	166,750	166,396	-354	174,024	-7,628	
4 JUL	171,960	160,431	154,581	-5,850	170,262	-15,681	
5 AUG	167,336	164,734	154,033	-10,700	168,016	-13,983	
6 SEP	172,793	157,977	146,979	-10,999	169,718	-22,739	
7 OCT	178,067	178,029		-178,029	182,945	-182,945	
8 NOV	169,631	167,264		-167,264	169,150	-169,150	
9 DEC	170,349	153,501		-153,501	170,747	-170,747	
10 JAN	175,979	178,423		-178,423	173,935	-173,935	
11 FEB	155,870	156,797		-156,797	160,682	-160,682	
12 MAR	177,420	167,622		-167,622	166,257	-166,257	
	2,050,202	1,984,176	947,653	-1,036,523	2,024,027	-1,076,374	1,954,027



	Actuals 11/12	Actuals 12/13	Actuals 13/14	Cumulative increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Column E-G)	Manager's Forecast
APR	161,707	157,819	155,699	-2,120	156,090	-391	
MAY	330,429	332,649	325,664	-6,985	318,291	7,373	
JUNE	510,797	499,399	492,060	-7,339	492,315	-255	
JUL	682,757	659,830	646,641	-13,189	662,577	-15,936	
AUG	850,093	824,563	800,674	-23,889	830,593	-29,919	
SEP	1,022,886	982,541	947,653	-34,888	1,000,311	-52,658	
OCT	1,200,963	1,160,569		-1,160,569		0	
NOV	1,370,584	1,327,834		-1,327,834		0	
DEC	1,540,933	1,481,334		-1,481,334		0	
JAN	1,716,912	1,659,757		-1,659,757		0	
FEB	1,872,782	1,816,554		-1,816,554		0	
MAR	2,050,202	1,984,176		-1,984,176		0	1,954,027



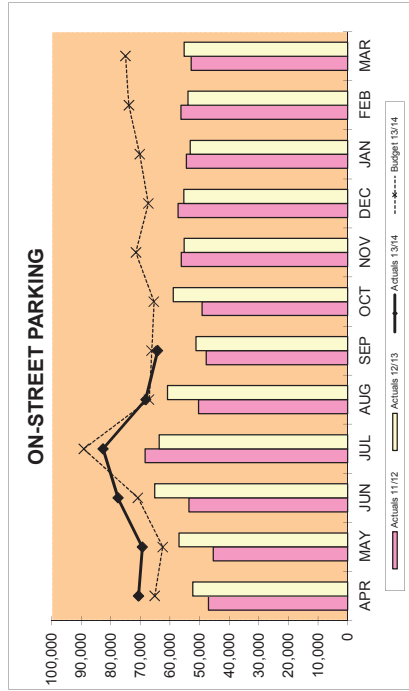
	Actuals	Budget
SEPTEMBER 2013		
HWCARPK		
DAY TICKETS	3300	841,754
EXCESS / PENALTY CHARGES	***1/***3	(2)
SEASON TICKETS	***2	153,079
OTHER (inc.Res.Pkg)	***9	3,480
WAIVERS	3404	-
RENT	94500	1,998
	947,653	1,000,311

	Actual	(Monthly)
CUMULATIVE BREAKDOWN		
(Cumulative)	794,786	125,884
	(2)	(2)
	145,818	18,890
	517	517
	2,470	1,670
	4,064	20
	947,653	146,979

10 On-Street / Enforcement Graphs

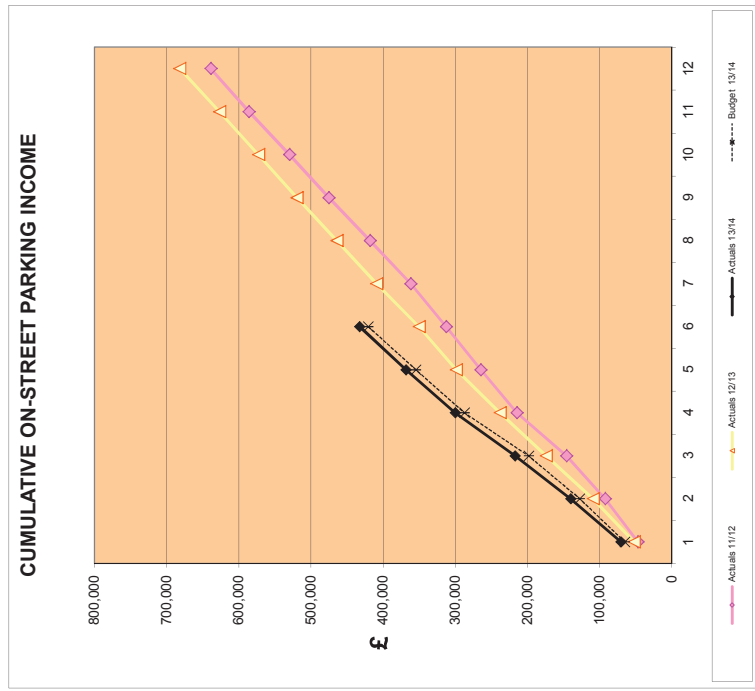
ON-STREET PARKING (HWDCRIM / HWENFORC)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Actuals-Budget)	Manager's Forecast
1 APR	47,046	52,328	70,633	18,304	65,155	5,478	
2 MAY	45,408	56,995	69,381	12,386	62,451	6,930	
3 JUN	53,666	65,190	77,535	12,344	70,836	6,699	
4 JUL	68,376	63,657	82,605	18,948	89,137	-6,532	
5 AUG	50,350	60,822	68,200	7,378	67,046	1,154	
6 SEP	47,762	51,221	64,195	12,974	66,166	-1,971	
7 OCT	49,209	58,926		-58,926	65,418	-65,418	
8 NOV	56,170	55,213		-55,213	71,494	-71,494	
9 DEC	57,330	55,356		-55,356	67,290	-67,290	
10 JAN	54,468	53,183		-53,183	70,241	-70,241	
11 FEB	56,324	53,925		-53,925	73,934	-73,934	
12 MAR	52,883	55,254		-55,254	75,022	-75,022	
	638,992	682,071	432,548	-249,523	844,190	-411,642	844,190



ON-STREET PARKING (CUMULATIVE)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Cumulative increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Column E-G)	Manager's Forecast
APR	47,046	52,328	70,633	18,304	65,155	5,478	
MAY	92,454	109,324	140,014	30,690	127,606	12,408	
JUNE	146,120	174,514	217,548	43,034	198,442	19,106	
JUL	214,496	238,171	300,153	61,982	287,579	12,574	
AUG	264,846	298,993	368,353	69,360	354,625	13,728	
SEP	312,608	350,214	432,548	82,334	420,791	11,757	
OCT	361,817	409,140		-409,140		0	
NOV	417,987	464,353		-464,353		0	
DEC	475,317	519,709		-519,709		0	
JAN	529,785	572,892		-572,892		0	
FEB	586,109	626,817		-626,817		0	
MAR	638,992	682,071		-682,071		0	844,190



SEPTEMBER 2013

HWDCRIM / HWENFORC

	Actual (Cumulative)	Budget	(Monthly)
PENALTY NOTICES	3403	70,272	10,378
WAIVERS	3404	2,652	144
RESIDENTS PERMITS	3406	23,800	3,371
ON STREET PARKING	3300	202,557	34,219
BUSINESS PERMITS	3408	44,320	6,285
OTHER	9999	-	-
EXCESS CHARGE	****1	63,385	9,798
	432,548	420,791	64,195

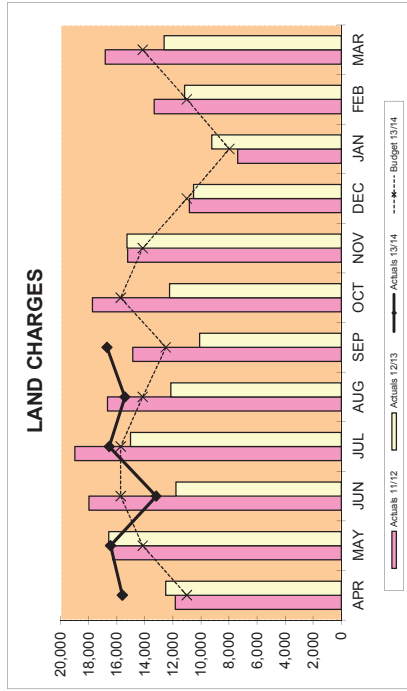
CUMULATIVE BREAKDOWN

	Actual (Cumulative)	Budget
PENALTY NOTICES	3403	70,272
WAIVERS	3404	2,652
RESIDENTS PERMITS	3406	23,800
ON STREET PARKING	3300	202,557
BUSINESS PERMITS	3408	44,320
OTHER	9999	-
EXCESS CHARGE	****1	63,385
	432,548	420,791

10 Land Charges Graphs

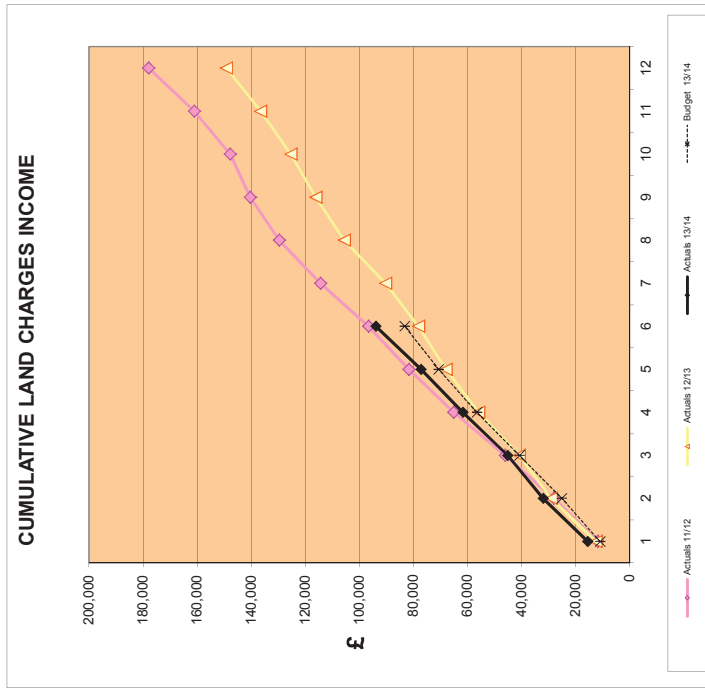
LAND CHARGES (LPLNDCH)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Actuals-Budget)	Manager's Forecast
1 APR	11,836	12,520	15,600	3,080	11,000	4,600	
2 MAY	16,303	16,579	16,455	-124	14,150	2,305	
3 JUN	17,994	11,786	13,180	1,394	15,720	-2,540	
4 JUL	18,987	15,021	16,544	1,523	15,720	824	
5 AUG	16,658	12,139	15,419	3,281	14,150	1,269	
6 SEP	14,863	10,100	16,709	6,608	12,500	4,209	
7 OCT	17,740	12,235		-12,235	15,720	-15,720	
8 NOV	15,228	15,271		-15,271	14,150	-14,150	
9 DEC	10,819	10,536		-10,536	11,000	-11,000	
10 JAN	7,369	9,220		-9,220	7,965	-7,965	
11 FEB	13,340	11,165		-11,165	11,000	-11,000	
12 MAR	16,826	12,637		-12,637	14,150	-14,150	
	177,963	149,208	93,907	-55,301	157,225	-63,318	167,225



LAND CHARGES (CUMULATIVE)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Cumulative increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Column E-G)	Manager's Forecast
APR	11,836	12,520	15,600	3,080	11,000	4,600	
MAY	28,139	29,099	32,055	2,956	25,150	6,905	
JUNE	46,133	40,885	45,235	4,350	40,870	4,365	
JUL	65,120	55,906	61,779	5,873	56,590	5,189	
AUG	81,778	68,044	77,198	9,154	70,740	6,458	
SEP	96,641	78,145	93,907	15,762	83,240	10,667	
OCT	114,381	90,379		-90,379		0	
NOV	129,609	105,651		-105,651		0	
DEC	140,428	116,186		-116,186		0	
JAN	147,797	125,407		-125,407		0	
FEB	161,137	136,571		-136,571		0	
MAR	177,963	149,208		-149,208		0	167,225



SEPTEMBER 2013

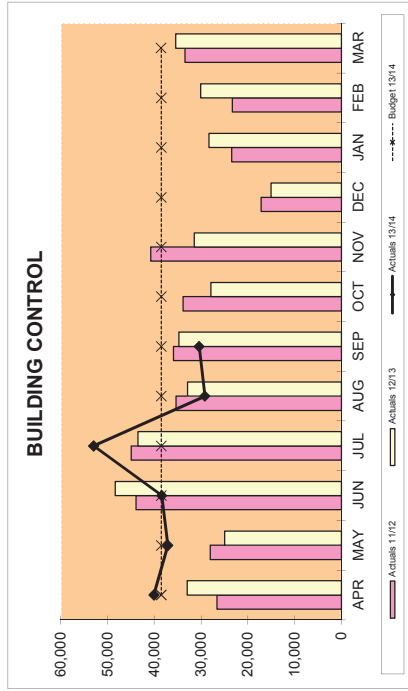
LPLNDCH

	Received (Month)	Percentage (Month)	Percentage (Month) 12/13	(Cumulative)
Searches Received - Paper	£105	39	12.2%	300
Searches Received - Electronic	£86	174	54.4%	659
Searches Received - Personal	£0	107	33.4%	518
	320	100.0%	100.0%	1,477

10 Building Control Graphs

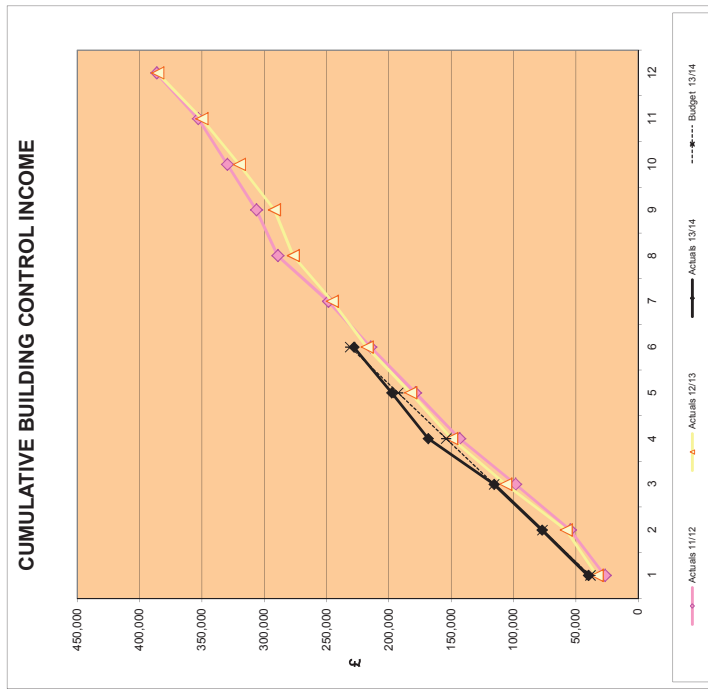
BUILDING CONTROL (DVBCFEE)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Actuals-Budget)	Manager's Forecast
1 APR	26,583	32,975	40,068	7,094	38,505	1,563	
2 MAY	28,008	24,976	37,100	12,124	38,505	-1,405	
3 JUN	43,878	48,352	38,370	-9,982	38,505	-135	
4 JUL	44,902	43,510	52,998	9,488	38,505	14,493	
5 AUG	35,321	32,905	29,169	-3,736	38,505	-9,336	
6 SEP	35,890	34,735	30,402	-4,333	38,505	-8,103	
7 OCT	33,837	27,882		-27,882	38,505	-38,505	
8 NOV	40,725	31,440		-31,440	38,505	-38,505	
9 DEC	17,118	15,031		-15,031	38,505	-38,505	
10 JAN	23,425	28,290		-28,290	38,505	-38,505	
11 FEB	23,315	30,097		-30,097	38,505	-38,505	
12 MAR	33,397	35,403		-35,403	38,514	-38,514	
	386,399	385,596	228,108	-157,488	462,069	-233,961	442,069



BUILDING CONTROL (CUMULATIVE)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Cumulative Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Column E-G)	Manager's Forecast
APR	26,583	32,975	40,068	7,094	38,505	1,563	
MAY	54,591	57,951	77,168	19,218	77,010	158	
JUNE	98,469	106,303	115,539	9,236	115,515	24	
JUL	143,371	149,813	168,537	18,724	154,020	14,517	
AUG	178,692	182,719	197,706	14,988	192,525	5,181	
SEP	214,582	217,453	228,108	10,655	231,030	-2,922	
OCT	248,419	245,335		-245,335		0	
NOV	289,144	276,776		-276,776		0	
DEC	306,262	291,807		-291,807		0	
JAN	329,687	320,096		-320,096		0	
FEB	353,002	350,193		-350,193		0	
MAR	386,399	385,596		-385,596		0	442,069



SEPTEMBER 2013

DVBCFEE

	Actual	Budget	(Monthly)
Plan Fee	3066	128,814	16,932
Inspection Fee	3067	84,624	11,338
Other	9999	17,592	2,133
	228,108	231,030	30,402

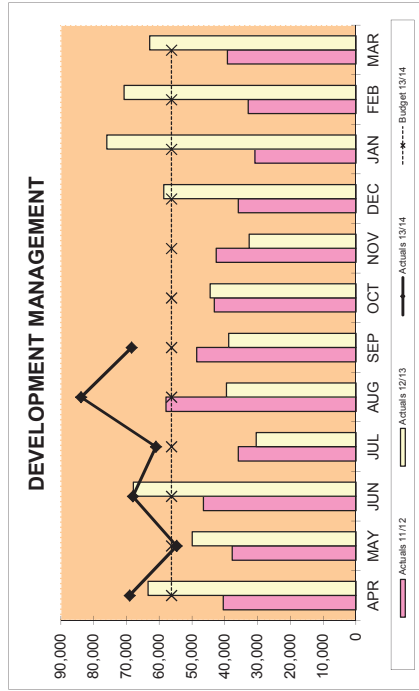
CUMULATIVE BREAKDOWN

	Actual (Cumulative)	Budget
	147,267	128,814
	72,310	84,624
	8,531	17,592
	228,108	231,030

10 Development Management Graph

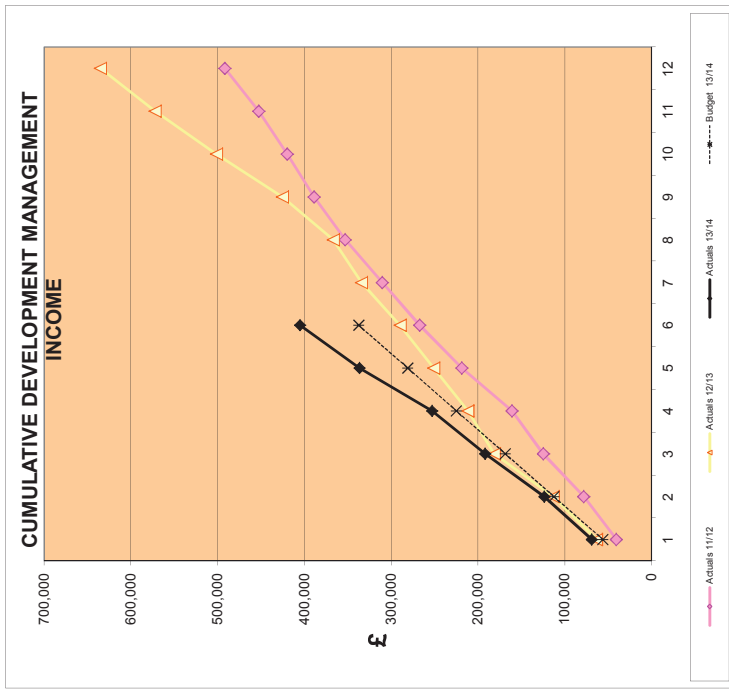
DEVELOPMENT MANAGEMENT (DVDEVCT)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Actuals-Budget)	Manager's Forecast
1 APR	40,515	63,378	69,061	5,682	56,245	12,816	
2 MAY	37,722	49,955	54,683	4,728	56,245	-1,562	
3 JUN	46,543	67,875	68,069	194	56,245	11,824	
4 JUL	35,903	30,448	61,049	30,601	56,245	4,804	
5 AUG	57,980	39,527	83,804	44,277	56,245	27,559	
6 SEP	48,611	38,837	68,457	29,621	56,245	12,212	
7 OCT	43,214	44,434		-44,434	56,245	-56,245	
8 NOV	42,649	32,532		-32,532	56,245	-56,245	
9 DEC	35,907	58,588		-58,588	56,245	-56,245	
10 JAN	30,824	76,016		-76,016	56,245	-56,245	
11 FEB	32,829	70,715		-70,715	56,245	-56,245	
12 MAR	39,201	62,921		-62,921	56,277	-56,277	
	491,898	635,226	405,123	-230,103	674,972	-269,849	749,972



DEVELOPMENT MANAGEMENT (CUMULATIVE)

	Actuals 11/12	Actuals 12/13	Actuals 13/14	Cumulative Increase / decrease from 12/13 to 13/14	Budget 13/14	Variance (Column E-G)	Manager's Forecast
APR	40,515	63,378	69,061	5,682	56,245	12,816	
MAY	78,237	113,333	123,743	10,410	112,490	11,253	
JUNE	124,780	181,209	191,813	10,604	168,735	23,078	
JUL	160,683	211,657	252,862	41,205	224,980	27,882	
AUG	218,663	251,184	336,666	85,482	281,225	55,441	
SEP	267,274	290,020	405,123	115,103	337,470	67,653	
OCT	310,488	334,454		-334,454		0	
NOV	353,137	366,986		-366,986		0	
DEC	389,044	425,574		-425,574		0	
JAN	419,868	501,590		-501,590		0	
FEB	452,697	572,305		-572,305		0	
MAR	491,898	635,226		-635,226		0	749,972



SEPTEMBER 2013

	Actual (Cumulative)	Budget	(Monthly)
DVDEVCT			
Planning Application Fees	3009	298,380	61,178
Other	9999	-	-
Pre-application Fees	94301	24,942	6,379
Monitoring Fees	94302	14,148	900
	405,123	337,470	68,457

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FINANCIAL PERFORMANCE INDICATORS 2013/14 – TO THE END OF SEPTEMBER 2013

Finance and Resources Advisory Committee – 12 November 2013

Report of Group Manager Financial Services

Status: For consideration

Key Decision: No

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

Portfolio Holder Cllr. Ramsey

Contact Officer(s) Helen Martin Ext. 7483

Recommendation to Finance and Resources Advisory Committee: That the report be noted.

Introduction and Background

1. This report presents figures on seven internally set performance indicators covering activities that support information provided in the regular financial monitoring statements.
2. Information is provided on targets for the financial year, and figures for the previous year are given for comparison.
3. Use of these indicators assists management in highlighting areas where performance has an impact on financial outturn for the authority.

Key Implications

Financial

There are no financial implications arising from this report.

Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972, the Section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

Agenda Item 12

Equality Impacts

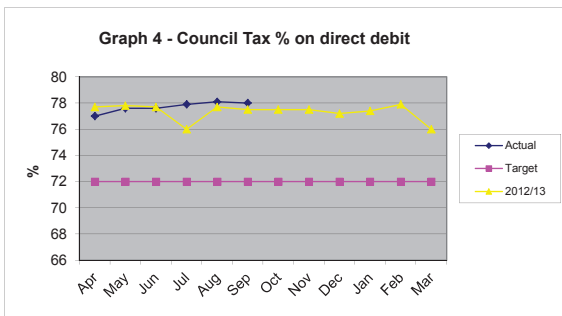
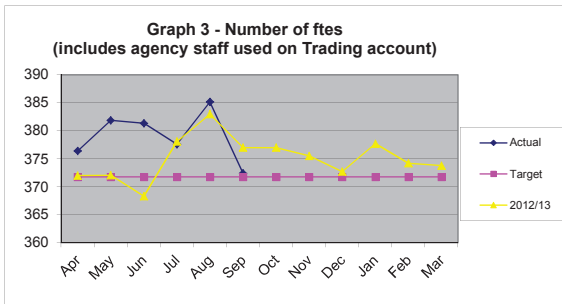
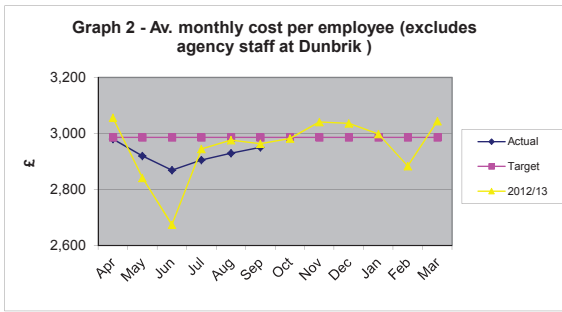
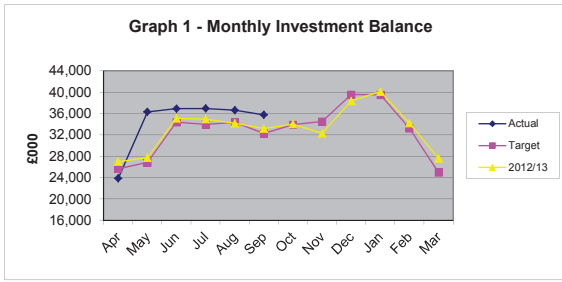
Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The recommendation is concerned with sound control of the Councils finances and does not directly impact on services 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

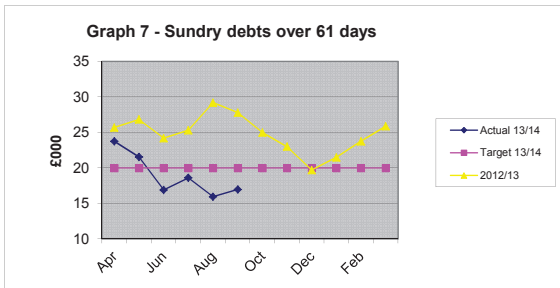
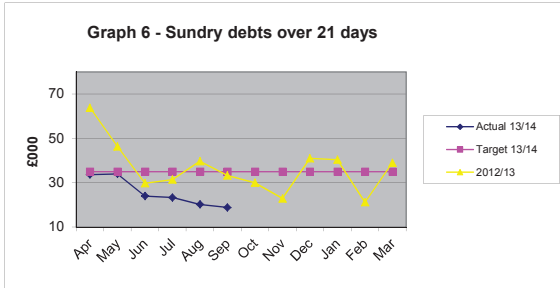
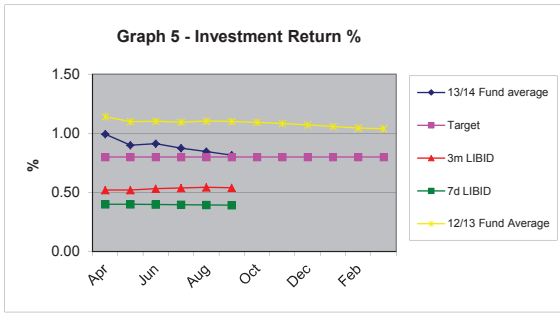
Appendices

Appendix A – Performance Indicators – September 2013

Adrian Rowbotham
Chief Finance Officer

Finance & Resources Advisory Committee Finance Indicators 2013/14
as at end September 2013





Finance & Resources Advisory Committee Work Plan 2013/14

12 November 2013	21 January 2014	June 2014	September 2014
Capita Asset Services	Treasury Management Strategy 2014/15	Provisional Outturn 2013/14 and Carry Forward Requests	Annual Treasury Management Report 2012/13
Treasury Management Statutory Report	White Oak Leisure Centre	White Oak Leisure Centre	Financial Performance Indicators 2014/15 – to the end of July 2014
Review of Service Plans/SCIAs	Financial Performance Indicators 2013/14 – to the end of November 2013	Financial Performance Indicators 2013/14 – to the end of March 2014	Financial Results 2013/14 – to the end of July 2013
Members' IT Working Group - Feedback	Financial Results 2013/14 – to the end of November 2013	Provisional Outturn 2013/14 and Carry Forward Requests	
Shared Services			
Financial Performance Indicators 2013/14 – to the end of September 2013			
Financial Results 2013/14 – to the end of September 2013			

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