



DISTRICT COUNCIL

Despatched: 04.09.13

CABINET

Thursday, 12 September 2013 at 7.00 pm
Conference Room, Argyle Road, Sevenoaks

AGENDA

Membership:

Chairman: Cllr. Fleming

Cllrs. Bosley, Hogarth, Ms. Lowe and Ramsay

	<u>Pages</u>	<u>Contact</u>
Apologies for Absence		
1. Minutes Minutes of the meeting of the Cabinet held on 9 July 2013.	(Pages 1 - 2)	
2. Declarations of interest Any interests not already registered		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council None		
5. Matters referred from the Audit Committee and Scrutiny Committee (Paragraph 5.20 of Part 4 (Executive) of the Constitution) None		
6. Recommendations from the Cabinet Advisory Committees	(Pages 3 - 4)	
(a) Grants to Voluntary Organisations – Amendments to Guidelines (<i>Economic and Community Development Advisory Committee – 18 June 2013</i>)		
(b) Annual Treasury Management Report 2012/13 (<i>Finance and Resources Advisory Committee – 29 August 2013</i>)		
To follow		

(c) Procurement Strategy Update (*Finance and Resources Advisory Committee – 29 August 2013*)

To follow

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|-----|---|-----------------|---|
| 7. | Grants to Voluntary Organisations - Amendments to the Guidelines | (Pages 5 - 14) | Lesley Bowles
Tel: 01732
227335 |
| |  | | |
| 8. | Annual Treasury Management Report 2012/13 | (Pages 15 - 30) | Roy Parsons
Tel: 01732
227204 |
| 9. | Financial Prospects and Budget Strategy 2014/15 and Beyond | (Pages 31 - 44) | Adrian
Rowbotham
Tel: 01732
227153 |
| 10. | Procurement Strategy Update | (Pages 45 - 58) | Richard Wilson
Tel: 01732
227262 |
| 11. | Performance Report | (Pages 59 - 72) | Lee Banks
Tel: 01732
227161 |

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.)



Indicates a Key Decision



indicates a matter to be referred to Council

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

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

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

The Democratic Services Team (01732 227241)

CABINET

Minutes of the meeting held on 9 July 2013 commencing at 6.00 pm

Present: Cllr. Fleming (Chairman)

Cllrs. Hogarth, Ms. Lowe and Ramsay

Apologies for absence were received from Cllrs. Bosley

Cllrs. Mrs. Clark, Firth, Mrs. Hunter, Piper and Searles were also present.

11. Minutes

Resolved: That the minutes of the meeting of the Cabinet held on 6 June 2013 be approved and signed as a correct record.

12. Declarations of interest

There were no additional declarations of interest.

13. Questions from Members (maximum 15 minutes)

There were no questions from Members.

14. Matters referred from Council

There were no matters referred from Council.

15. Matters referred from the Audit Committee and Scrutiny Committee (Paragraph 5.20 of Part 4 (Executive) of the Constitution)

There were no matters referred from the Audit Committee or the Scrutiny Committee.

16. Recommendations from the Cabinet Advisory Committees

- (a) 2013/14 Performance Indicators and Target Setting (*Strategy and Performance Advisory Committee – 25 June 2013*)

This item was considered at Minute 18.

17. Q4 Performance

Members considered a report setting out performance levels to the end of January 2013. Set out at Appendix 1 of the report were details of the 7 'red' performance indicators categorised by the Advisory Committee which held responsibility for the service's policy development. Alongside the performance data was a trend chart, showing all performance for the year and a commentary provided by the manager of the service.

Members agreed that the five Cabinet Advisory Committees should decide which of the Performance Indicators relevant to their Committees they wished to monitor, especially those where there were areas of concern.

Resolved: That the report be noted.

18. 2013/14 Performance Indicators & Target Setting

Members considered a report setting out performance indicators and targets for 2013-2014. Each year the Council undertakes a thorough review of the performance indicators it adopts and the performance targets it sets to continue to support the improvement of services and to enable the Council to deliver on its vision and promises to the Community. The report recommended that data was collected against 52 local performance indicators. For each performance indicator there was also a performance target for 2013/14.

The Chairman noted that there had been a detailed discussion at the Strategy and Performance Advisory Committee. It was suggested that the Advisory Committees, in consultation with Chief Officers, may wish to review stretch targets. The Chairman also reported that whilst all performance indicators were available to Members through the Covalent system in the Members portal, at Committee meetings Members would be reviewing those targets focused on outcomes.

The Policy and Performance Manager reported that the corporate planning process was now underway and there would be a greater focus on outcome based indicators.

Members also noted the suggestion made by the Strategy and Performance Advisory Committee that performance indicators LPI IT 001 – Percentage of IT Service Desk Calls resolved within the agreed time, and LPI FM 001 – Percentage of Facilities Management Service Desk calls resolved in agreed time, be removed from those reviewed by Members as they related more to management activity.

Resolved: That

- (a) That the performance indicators to be reported on by the Council for 2013/14 be approved; and
- (b) That the performance targets to be set for 2013/14 be approved.

THE MEETING WAS CONCLUDED AT 6.10 PM

CHAIRMAN

RECOMMENDATIONS FROM THE CABINET ADVISORY COMMITTEES

- a) Grants to Voluntary Organisations - Review of the Guidelines (*Minute 8, Economic and Community Development Advisory Committee – 18 June 2013*)

The Committee received a presentation from the Head of Community Development providing an overview of grants to voluntary organisations. Grant guidelines were reviewed during 2010/11 and revised guidelines were agreed by Cabinet in September 2010. It was proposed that a further “mini” review should take place in 2013 in order to increase the emphasis placed on volunteering.

The next steps for the review would be a six week consultation with the voluntary sector. Recommendations would then be made to Cabinet in September 2013 and the new guidelines would be operational by November 2013. The key changes that were being proposed were (a) streamlining guidelines and the application process, (b) a clearer focus on outcomes, (c) a minimum application amount of £100, and (d) compulsory performance indicators.

The Committee agreed that volunteers were a valuable resource that needed to be retained across the District.

A Member highlighted the need to ensure that funding was being targeted at the right services. The need for joint working between the District Council and the County Council was emphasised. The Head of Community Development said that the Locality Board had looked at this in relation to youth services but the District Council had not decided to contribute. The Chairman suggested that the Committee may wish to consider strengthening joint working between all layers of local government at a future meeting.

In response to a question, the Head of Community Development explained to the Committee that the District Council provided more support to voluntary organisations than simply giving grants. The Voluntary Organisations already spent a huge amount of time fund-raising and many had fund-raising committees. Many of the organisations provided valuable services to the community but did not necessarily have the type of branding that would attract donations from the public.

Resolved: That Cabinet be recommended to agree that the new guidelines for grants to voluntary organisations should have a clear focus on volunteering.

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COMMUNITY GRANT SCHEME GUIDELINES & APPLICATION FORM

Cabinet – 12 September 2013

Report of Chief Officer – Communities & Business

Status: For Decision

Key Decision: Yes

Executive Summary: Minor changes are recommended to the Council’s Community Grant Scheme guidelines in order to:

- Streamline the application process
- Place greater emphasis on volunteering
- Ensure that the scheme does not subsidise statutory services provided by the voluntary sector for other authorities under commissioning or other contract arrangements

This report supports the Key Aim of: Working with local people to deliver strong, active and sustainable communities.

Portfolio Holder Cllr. Hogarth

Contact Officer(s) Chief Officer Communities & Business – Lesley Bowles

Recommendation to Cabinet:

That the proposed Community Grant guidelines as set out in the Appendix are agreed.

Reason for recommendation: To ensure that the scheme continues to support the Council’s priorities and that the importance of volunteering is recognised.

Introduction and Background

- 1 The Council’s Community Grant Scheme helps voluntary organisations who provide services for residents of the District and contribute to relevant priorities set out in the Community Plan.
- 2 The total budget available for distribution in 2013/14 was £153,331, including £98,540 for the Citizens’ Advice Bureaux. Funding for the Citizens’ Advice Bureaux is subject to a three year Service Level Agreement from 1 April 2012 to 31 March 2015.
- 3 The grant budget is agreed as part of the annual budget setting process.

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- 4 The guidelines and application form for the Community Grant Scheme have been in place in the current format since 2010 and are therefore due for review to meet the needs of voluntary groups and to streamline the process.
- 5 The Council's Community Grant Scheme is run annually and opens to applications at the end of September each year, closing in November. Applications received are appraised by Officers in December and the Portfolio Holder in January. Recommendations from the appraisal process are considered by Cabinet in March of the following year, with grants made in April to ensure that voluntary organisations receive funding at the beginning of the new financial year.

Review of the Grant Scheme Guidelines and Application Form

- 6 **Running costs:** Historically, voluntary organisations have been able to apply to the Council not only for project costs but also the running costs associated with the project. It is important to local voluntary organisations that this should continue and the new guidelines support this. However, a mechanism is needed to ensure that grants from this Council do not subsidise the running costs of projects or services that are commissioned by other funders. This is necessary because funders such as the County Council are increasingly commissioning the provision of their own statutory services from the voluntary sector. The revised guidelines have addressed this.
- 7 **Emphasis on volunteering:** It is possible that the commissioning of the voluntary sector for the provision of statutory services may lead to a reduced emphasis on volunteering as organisations employ more staff to deliver such services. The District Council has had a culture of supporting volunteering and the proposed changes to the guidelines underpin and emphasise this.
- 8 **Streamlining:** Historically, the Councils scheme has used have been two application forms with different levels of performance indicators for different levels of grant. The revised scheme streamlines this to make it easier both for the applicant and the appraisal and monitoring process.
- 9 **Consultation:** Voluntary and community groups were consulted on proposed changes to the guidelines and application form at the Voluntary & Community Sector Forum in May. Suggestions made by those attending the meeting have been incorporated into the draft guidelines and application form.
- 10 A summary of the changes made to the Guidelines is as follows:
 - The scheme's priorities now include an increased emphasis on supporting volunteers and volunteering;
 - One application form for all applications, to be completed electronically; previously there were two application forms, one for funding up to £500 and one for funding over £500, up to £5,000.
 - Compulsory performance indicators are suggested for all applications:
 - For applications up to £500:

(a) Number of residents benefiting from the grant;

(b) Number of volunteers benefiting from the grant;

o For applications over £500 and up to £5,000:

(a) And (b) above, plus at least three additional appropriate indicators.

- Applicants may not apply for funding for projects, services or activities that their organisation is already delivering in the District as part of an existing contract or service level agreement with another funder.
- In addition, a minimum application amount of £100 is suggested. The maximum application amount remains unchanged, at £5,000;

11 The draft guidelines are set out at Appendix A.

12 Members are asked to agree the draft guidelines.

Key Implications

Financial

13 The total budget available for distribution in 2013/14 was £153,331 and was made up as follows:

Total 2013/14 grant budget available to voluntary sector and youth groups, arts and sports councils and play schemes	£153,331
Grants to CABx for 2013/14 under the terms of the agreed SLA	£98,540
Grants to all other voluntary and youth groups	£54,790
Total Grants	£153,330

14 A number of the grants made in 2013/14 were made to organisations which provide services on behalf of Sevenoaks District Council. This includes the CABx, who provide General and Housing Advice Services, West Kent Mediation, who provide high hedge mediation services and North Kent Crime Prevention Panel, who offer crime prevention advice. A list of the organisations, funded through the 2013/14 Community Grants Scheme, providing services on behalf of this Council is set out below:

Organisation	2013/14 grant
Citizens' Advice Bureaux	£98,540

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Sevenoaks District Arts Council	£4,600
Sevenoaks District Sports Council	£4,600
West Kent Mediation	£5,000
North Kent Crime Prevention Panel	£450
Domestic Abuse Volunteer Support Services	£3,000
TOTAL	£116,190

Legal Implications and Risk Assessment Statement.

- 15 All organisations applying to the Community Grants Scheme are required to have an Equal Opportunities Policy and sign an Equal Opportunities Statement.

RISK	IMPACT	CONTROL
That grant-aided organisations may not deliver the required performance	High	Monitoring of performance indicators takes place. In the case of an organisation not going ahead with a particular project, funding is clawed back.
That the grants are used for purposes other than those agreed by the Council.	High	Monitoring of the grant takes place through performance indicators. Funding conditions apply relating to the ring fencing of the grant in an organisation's accounts for the purpose specified. Officers pay particular attention to organisations receiving larger grants, eg through quarterly monitoring meetings with CABx. If it were found that the grant had not been used for the purpose for which it was agreed, it would be

		clawed back.
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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 community grants scheme assists with the provision of services to support District residents, particularly those in the greatest need.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	The grant scheme provides funding for specific groups, such as older people, families, young people and people with disabilities. Changes to the guidelines will help to target funding to those projects which assist volunteers across the District.
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No negative impacts identified

Value For Money

- 16 All applications to the Community Grants Scheme are evaluated with a Value for Money calculation to ensure that grants made have the greatest impact in the community.

Sustainability Checklist

- 17 A Sustainability Checklist has been completed. There are no negative impacts identified.

Community Impacts and Outcomes

- 18 The Council's Community Grant Scheme assists a wide variety of voluntary organisations across the District to provide services for residents in greatest need.

Conclusions

- 19 The Council's Community Grant Scheme Guidelines have been reviewed and revised. Members are asked that the draft Community Grant guidelines are agreed.

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Appendices

Appendix – Draft Community Grant Scheme Guidelines.

Background Papers:

Draft Community Grant Scheme guidelines

Lesley Bowles
Chief Officer for Communities & Business

**Sevenoaks District Council
Community Grants Scheme 2014/15
SCHEME GUIDELINES**

Please read the following Guidelines carefully before completing the application form. If you have any queries regarding the application process, please contact Simon Davies at Sevenoaks District Council, Argyle Road, Sevenoaks, Kent, TN13 1HG. Tel: 01732 227000.

Email grants@sevenoaks.gov.uk.

The Sevenoaks District Council Community Grant scheme exists to help voluntary organisations who provide services, activities or projects that benefit Sevenoaks District residents, focussing on those in greatest need.

In particular, the Council wishes to support services, activities or projects that are delivered with the help of volunteers and that support Sevenoaks District Community Plan priorities set out below:

Please note: We can only accept one application per organisation.

1. WHAT ARE THE SCHEME'S PRIORITIES?

Volunteering:

- Promote, encourage or support volunteers and volunteering as part of a project, service or activity.

Social Inclusion:

- Improve opportunities for vulnerable or elderly people;
- Encourage community participation by excluded or vulnerable groups;
- Improve the wellbeing of local residents.

Community Safety:

- Reduce crime or anti-social behaviour.

Information, Advice, Advocacy and Counselling:

- Provide information, advice, advocacy or counselling to residents when they are in particular need.

Young People:

- Projects, services and activities that encourage participation in local communities or provide positive activities or opportunities for young people.

Arts & Sports:

- Funding for the Sevenoaks District Arts and Sports Councils to support arts and sports projects that contribute to the overall wellbeing of residents and encourage the inclusion of groups with particular needs.

2. WHO CAN APPLY?

You can apply if you deliver services to Sevenoaks District residents in two or more parishes and are one of the following:

- “Not for profit” registered charity
- Youth Organisation
- Voluntary Organisation
- Community Interest Company

If your organisation works with children, young people or vulnerable adults, you should have a Safeguarding Policy and staff and volunteers must have enhanced level Disclosure & Barring Service checks and appropriate training.

3. HOW MUCH AND WHAT CAN I APPLY FOR?

The minimum you can apply for is £100

The most we will award for any one application is £5,000

The grant can be spent on project costs such as support for volunteers, equipment or premises hire. In addition you can apply for core running costs that are commensurate with the project, service or activity applied for.

4. WHAT ARE THE MAIN CONDITIONS?

By applying, you are confirming that you comply with the terms and conditions. The main conditions include:

- Your organisation has a constitution.
- Your organisation has a bank account with at least two authorised signatories.
- Your organisation either has an equalities policy in place and is prepared to sign the Council's Equalities Statement
- All appropriate legal agreements, insurances and processes needed to deliver the project are in place, including safeguarding arrangements for children and vulnerable adults.

- Any grant you are awarded will be used only for the project set out in your application and will be ring-fenced to help Sevenoaks District residents. It must not be used for any other purpose.
- You will be required to submit monitoring for your project with supporting evidence.
- All publicity materials and annual reports must acknowledge Sevenoaks District Council's support.
- Your organisation can only submit one application in any financial year.
- Any grant unspent at the year end will be refunded to Sevenoaks District Council.

5. WHAT WE WILL NOT FUND

We will not fund the following:

- Projects, services or activities that serve only one Parish
- Costs for projects, services or activities that your organisation is already delivering in the District as part of an existing contract or service level agreement with another funder
- Costs for projects that have already started or been delivered
- Projects where the beneficiaries are not Sevenoaks District residents
- Private concerns operated as a business
- Organisations seeking to add capital to their reserves
- Local organisations seeking funding for a central HQ
- Religious or political organisations
- Individuals
- Work that should be provided by statutory, educational, health organisations or social services
- Schools or parent/teacher organisations

6. HOW WILL THE COUNCIL ASSESS YOUR PROJECT?

The appraisal process will look at:

- Your eligibility to apply
- The extent to which your project meets the Scheme's priorities
- How many people will benefit
- The level of need for the project
- The level of benefit to Sevenoaks District residents
- The level of reserves held by your organisation

7. WHEN WILL YOU KNOW IF YOUR APPLICATION IS SUCCESSFUL?

The deadline for submitting your completed application form is xx November

Applications received after this date will not be considered.

During March, we will decide who will receive funding. We will write to you during April to let you know if your application has been successful.

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If you require any assistance, please contact:
Simon Davies, Partnership and Projects Officer, on 01732 227374

Return by post to the address below:

**Sally Heyes, Communities & Business Team,
Council Offices, Argyle Road, Sevenoaks, Kent TN13 1HG**

Deadline for completed applications: XX NOVEMBER

ANNUAL TREASURY MANAGEMENT REPORT 2012/13

Cabinet – 12 September 2013

Report of the: Group Manager Financial Services

Status: For Consideration

Also considered by: **Finance and Resources Advisory Committee – 29 August 2013**

Key Decision: No

Executive Summary: This report provides the customary review of investment activity during 2012/13 as required by the Council's Financial Procedure Rules. The report outlines the strategy adopted during the year, shows the position of the investment portfolio at the beginning and the end of the year and gives details of how the fund performed in comparison with previous years and against various benchmarks.

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 Annual Treasury Management Report for 2012/13.

Recommendation to Cabinet: It be RESOLVED that the Annual Treasury Management Report for 2012/13 be approved

Reason for recommendation: As required by both the Council's Financial Procedure Rules and the CIPFA Code, an annual 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 report reviewing treasury management activities and the actual prudential and treasury indicators for 2012/13. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 2 During 2012/13 the minimum reporting requirements were that the Council should receive the following reports:

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- an annual treasury strategy in advance of the year (Council 21/2/2012)
 - a mid year (minimum) treasury update report (Performance and Governance Committee 13/11/12, Cabinet 6/12/12)
 - an annual report following the year describing the activity compared to the strategy (this report)
- 3 In addition, the Council received a quarterly treasury management update report (Performance and Governance Committee 18/9/12) and regular reports on progress were presented to the Finance Advisory Group.
- 4 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 5 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to treasury management reports before they were reported to the full Council. Member training on treasury management issues was undertaken on 27 January 2010 in order to support Members' scrutiny role.
- 6 The financial year 2012/13 continued the challenging environment of previous years with low investment returns and ongoing counterparty risk.

Introduction

- 7 This **annual treasury report** covers:
- (a) The Council's treasury position at the beginning and end of the financial year;
 - (b) Investment Strategy for 2012/13;
 - (c) the economy and interest rates in 2012/13;
 - (d) compliance with treasury limits and prudential indicators;
 - (e) investment rates in 2012/13;
 - (f) investment outturn for 2012/13 and performance; and
 - (g) Icelandic bank defaults.

Treasury position at the beginning and end of the financial year

- 8 The Council's investment portfolio at the beginning and end of the financial year appears at Appendix A, whilst an analysis by maturity and repayment due dates appears at Appendix B.

Investment Strategy for 2012/13

- 9 The expectation for interest rates within the strategy for 2012/13 anticipated low but rising Bank Rate (starting in quarter 4 of 2014) with similar gradual rises in medium and longer term fixed interest rates over 2012/13. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 10 The actual movement in gilt yields meant that Public Works Loan Board (PWLB) rates fell during the first quarter of the year to historically low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt, and also from shares, as investors became concerned about the potential for a Lehmans type crisis in the financial markets if the Greek debt crisis were to develop into a precipitous default and exit from the Euro. During the second and third quarters rates rose gradually and agreement of a second bail out for Greece in December saw the flight to quality into gilts reverse somewhat, as confidence rose that the Eurozone crisis was finally subsiding. However, gilt yields then fell back again during February and March as Eurozone concerns returned, with the focus now shifting to Cyprus, and flight to quality flows into gilts resumed. This was a volatile year for PWLB rates, driven by events in the Eurozone which oscillated between crises and remedies.
- 11 **Change in strategy during the year** – the strategy adopted in the original Treasury Management Strategy Report for 2012/13 approved by the Council on 21 February 2012 was subject to revision during the year due to the downgrading of counterparty credit ratings. The Council's minimum rating criteria for lending were reduced and the counterparty cash limit was increased as a result of a smaller pool of institutions meeting the minimum rating requirement.

The economy and interest rates in 2012/13

- 12 The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2012/13 was that Bank Rate would start gently rising from quarter 4 2014. However, economic growth in the UK was disappointing during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market – the EU. The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Moody's followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget statement in March. Key to retaining the AAA rating from Fitch and S&P will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within a reasonable timeframe. Weak UK growth resulted in the Bank of England's Monetary Policy Committee increasing quantitative easing (QE) by £50bn in July to a total of £375bn. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation fell from 3% at the start of the year to end

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at 2.8% in March, with the forecast for a fall back to below 2% pushed back to quarter 1 2016. The EU sovereign debt crisis was an ongoing saga during the year with first Greece and then Cyprus experiencing crises which were met with bailouts after difficult and fraught negotiations.

- 13 Gilt yields oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE to come, combined to keep PWLB rates depressed for much of the year at historically very low levels.
- 14 As far as investment rates were concerned, the Funding for Lending Scheme, announced in July, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the European Central Bank statement in July that it would do “whatever it takes” to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.

Compliance with treasury limits and prudential indicators

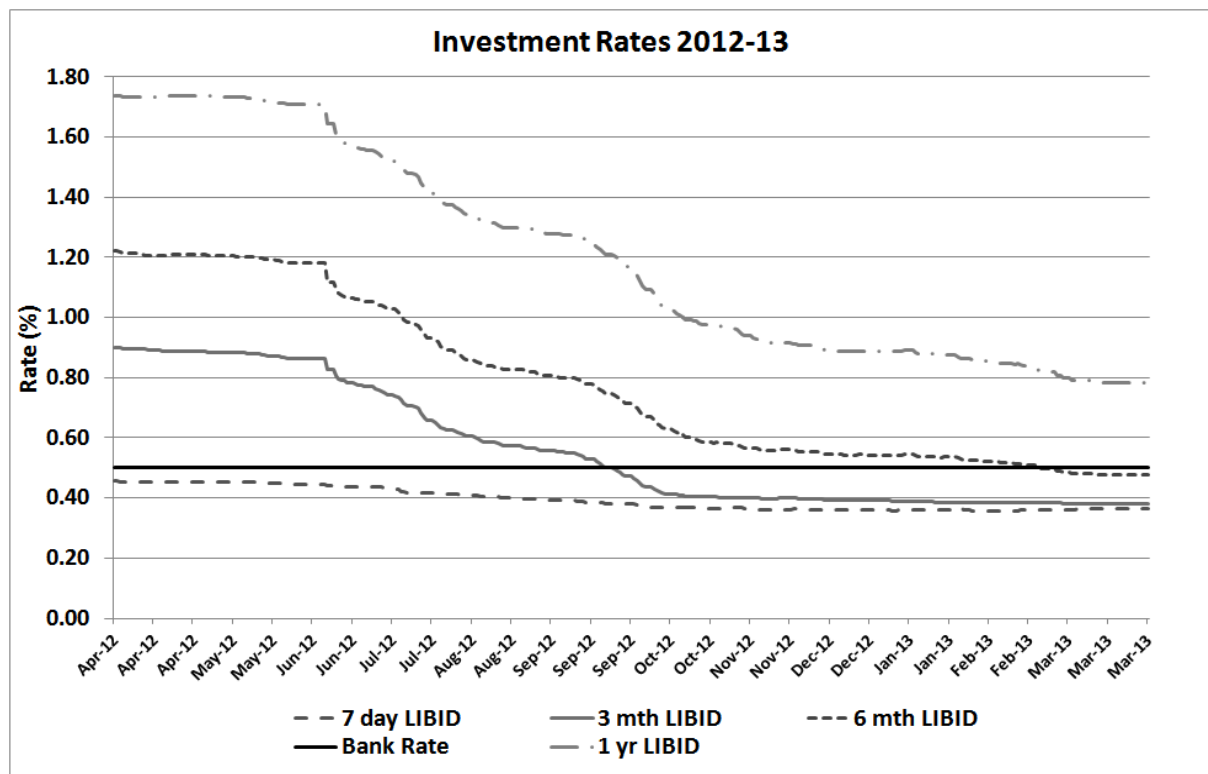
- 15 During 2012/13, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

	2011/12 Actual (£000)	2012/13 Original (£000)	2012/13 Actual (£000)
Capital expenditure	2,348	1,423	1,337
Total Capital Financing Requirement:			
• Non-HRA	-	-	-
• HRA	-	-	-
• Total	-	-	-
Net borrowing	-	-	-
External debt	-	-	-
Investments			
• Longer than 1 year	-	-	-
• Under 1 year	24,231		26,856
• Total	24,231		26,856

- 16 The investment figures relate to the time left to maturity, not the length at the commencement date and exclude accrued interest. The Landsbanki investment has also been excluded.
- 17 During the year the Council operated within the treasury limits and prudential indicators set out in its Treasury Policy Statement and Annual Treasury Strategy Statement with one exception. Over the weekend from 28 September 2012 to 1 October 2012, the sum of £4.4m was held in the Business Premium Account with Barclays. Together with fixed deposits of £2m, the total held with Barclays was £6.4m, compared with the limit of £6m. This situation was corrected on 1 October 2012.
- 18 The lending list was kept under constant review throughout the year in response to credit rating changes as and when they arose. In order to provide further diversification, the opportunity was taken to open two Money Market Funds, initially with £1m in each and later increased to £3m. The strategy already allowed for investments of up to £5m in any Money Market Fund.
- 19 No institutions in which investments were made during 2012/13 had any difficulty in repaying investments and interest in full during the year.

Investment rates in 2012/13

- 20 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for four years. Market expectations of the start of monetary tightening were pushed back during the year to early 2015 at the earliest. The Funding for Lending Scheme resulted in a sharp fall in deposit rates in the second half of the year.



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Investment outturn for 2012/13 and performance

- 21 The Council's investment policy is governed by Department of Communities and Local Government (CLG) guidance, which has been implemented in the annual investment strategy approved by the Council on 21 February 2012. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The strategy was amended later in the financial year, as mentioned earlier in this report, to deal with issues around the restricted number of counterparties.
- 22 With the one exception mentioned above, the investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties, which might have led to the need to borrow.
- 23 Appendix C shows the performance of the fund during 2012/13 both in table and graphical form. The table shows the average percentage return on the fund, both monthly and for the whole year and compares them with the average 7-day and 3-month London Interbank Bid (LIBID) rates. The average return achieved by each broker is only a very basic measure of performance, because returns will depend on the number and length of each investment he/she is asked to carry out. If a particular broker is only asked to place short term investments, he/she may well not achieve the same overall rate as a broker who predominantly handles longer term investments for us.
- 24 The graph shows actual monthly receipts for 2010/11, 2011/12 and 2012/13 plus budgeted monthly receipts for 2012/13. The monthly interest budget has been profiled in line with the previous year's monthly weighted average principal.
- 25 Over the course of the year interest receipts amounted to £0.323m compared with a budget of £0.206m. The main reasons why the budget was exceeded were that the Council still had some longer investments at higher interest rates than planned for in the budget, the positive impact on cash flow of delayed capital expenditure and additional capital receipts.
- 26 In 2012/13 the average return on the Council's investments was marginally lower than that of our neighbouring authorities. Our overall rate of return was 1.04% compared with 1.09% for Tonbridge & Malling Borough Council and 1.93% for Tunbridge Wells Borough Council. It should be noted, however, that investment returns are notoriously difficult to compare as they have often been compiled on a different basis (for example, whether or not interest has been compounded, whether or not cashflow generated balances have been included, whether or not externally managed funds have been included and whether or not the figures are net of borrowings). In addition, although we had locked into a few longer term investments at higher interest rates, it appears that the higher average rate of return has been achieved by committing a substantial part of the portfolio to such investments and to a limited number of counterparties.
- 27 Our treasury management advisers, Sector Treasury Services Ltd, recommend the 3-month LIBID figure as a benchmark. This reflects a more realistic neutral investment position for core investments with a medium term horizon and a rate

which is more stable with less fluctuation caused by market liquidity. Historically, this rate has been slightly higher than the 7-day rate and therefore more challenging a comparator, but one which does not necessitate a significantly increased level of risk. The figures calculated by Sector for these two benchmarks are as follows:

- 7-day LIBID uncompounded 0.394%
- 3-month LIBID uncompounded 0.564%

Icelandic bank defaults

- 28 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.
- 29 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.
- 30 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 will rank as priority claims. The Administrators have now commenced the process of dividend payments and three such payments have been received amounting to approximately 50% of our claim. The latest assumption is that 100% of the Council's investment (and interest up to 22 April 2009) will be recovered.
- 31 Members have been updated periodically on the latest developments in these efforts.

Key Implications

Financial

- 32 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

- 33 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.
- 34 This annual review report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.
- 35 Treasury management has two main risks :

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- 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.

36 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 year.

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 potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No mitigating steps are required.

Conclusions

- 37 The overall return on the Council's investments exceeded the budget in 2012/13 by approximately £117,000.
- 38 The economic situation both globally and within the Eurozone in particular remains volatile with inevitable consequences for the UK economy. Treasury management in the past financial year was conducted against this background and with a cautious investment approach.
- 39 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 start and end of financial year

Appendix B – Analysis of investment portfolio by

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maturity and repayment due dates

Appendix C - Investment performance in 2012/13

Background Papers:

Treasury Management Strategy for 2012/13 -
Council 21 February 2012

Adrian Rowbotham
Chief Finance Officer

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SEVENOAKS DISTRICT COUNCIL

List of investments as at:- 31-Mar-12

Reference	Name	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker
	Santander UK plc (Business Reserve A/C)	U.K.	Santander	0	01-Apr-99			0.60000%	Variable	Direct
	Santander UK plc (Money Market A/C)	U.K.	Santander	0	09-Oct-06			0.80000%	Variable	Direct
	Bank of Scotland plc (Corp Instant Access A/C)	U.K.	Lloyds/HBOS	0	01-Aug-04			0.50000%	Variable	Direct
	Clydesdale Bank plc (Base Tracker Plus - 15 Day)	U.K.	NAB	0	10-Sep-10			0.65000%	Variable	Direct
	Barclays Bank plc (Business Premium A/C)	U.K.		1,231,000	01-Oct-11			0.45000%	Variable	Direct
	National Westminster Bank plc (Liquidity Select)	U.K.	RBS	2,000,000	07-Oct-11			0.80000%	Variable	Direct
IP991	Aberdeen City Council	U.K.		1,000,000	29-Nov-11	0.50000%	29-May-12		6 Months	Sterling
IP1014	Bank of Scotland plc	U.K.	Lloyds/HBOS	1,000,000	14-Feb-12	2.50000%	12-Feb-13		1 Year	Direct
IP1018	Bank of Scotland plc	U.K.	Lloyds/HBOS	1,000,000	24-Feb-12	2.50000%	22-Feb-13		1 Year	Direct
IP1020	Birmingham City Council	U.K.		1,000,000	02-Mar-12	0.50000%	12-Apr-12		6 Weeks	Tradition
IP1021	Birmingham City Council	U.K.		1,000,000	14-Mar-12	0.50000%	01-May-12		7 Weeks	Tradition
IP985	Blaenau Gwent County Borough Council	U.K.		2,000,000	07-Nov-11	0.55000%	08-May-12		6 Months	Sterling
IP1004	Eastleigh Borough Council	U.K.		1,000,000	16-Jan-12	0.42000%	16-Jul-12		6 Months	Direct
IP1015	Lancashire County Council	U.K.		2,000,000	15-Feb-12	0.37000%	18-Apr-12		2 Months	Sterling
IP1007	Lloyds TSB Bank plc	U.K.	Lloyds/HBOS	1,000,000	25-Jan-12	1.75000%	25-Jul-12		6 Months	Direct
IP1009	Lloyds TSB Bank plc	U.K.	Lloyds/HBOS	1,000,000	31-Jan-12	2.00000%	31-Oct-12		9 Months	Direct
IP1010	Lloyds TSB Bank plc	U.K.	Lloyds/HBOS	1,000,000	03-Feb-12	2.00000%	05-Nov-12		9 Months	Direct
IP958	National Westminster Bank plc	U.K.	RBS	2,000,000	22-Mar-11	1.00000%	27-Apr-12	2.50000%	1 Year	Direct
IP997	National Westminster Bank plc	U.K.	RBS	1,000,000	19-Dec-11	1.00000%	18-Jul-12	1.80000%	6 Months	Direct
IP990	Nottingham City Council	U.K.		2,000,000	23-Nov-11	0.50000%	23-May-12		6 Months	R P Martin
IP1002	Salford City Council	U.K.		1,000,000	11-Jan-12	0.38000%	23-Jul-12		6 Months	Sterling
IP1022	Salford City Council	U.K.		1,000,000	16-Mar-12	0.35000%	02-Apr-12		17 Days	Tradition
IP1023	Ulster Bank Ltd	U.K.	RBS	1,000,000	27-Mar-12	0.75000%	27-Apr-12		1 Month	R P Martin
	Total Invested			24,231,000						

Total Invested

Matured Investment

IP813	Landsbanki Islands hf	Iceland		1,000,000	25-Jun-07	6.32000%	25-Jun-09		2 Years	R P Martin
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Other Loan

	Sevenoaks Leisure Limited			250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct
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SEVENOAKS DISTRICT COUNCIL

List of investments as at:- 31-Mar-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.		856,000	01-Oct-11			0.45000%	Variable	Direct
	National Westminster Bank plc (Liquidity Select)	A	U.K.	RBS	1,000,000	07-Oct-11			0.60000%	Variable	Direct
	Ignis Liquidity Fund (Money Market Fund)	AAA	U.K.		3,000,000	11-May-12				Variable	Direct
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		1,000,000	11-May-12				Variable	Direct
IP1078	Aberdeen City Council		U.K.		2,000,000	29-Nov-12	0.32000%	29-May-13		6 Months	Sterling
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
IP1091	Barclays Bank plc	A	U.K.		1,000,000	04-Feb-13	0.45000%	07-May-13		3 Months	Direct
IP1094	Barclays Bank plc	A	U.K.		1,000,000	15-Feb-13	0.43000%	15-May-13		3 Months	Direct
IP1049	Lloyds TSB Bank plc	A	U.K.		1,000,000	25-Jul-12	3.00000%	04-Jul-13		1 Year	Direct
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
IP1026	National Westminster Bank plc	A	U.K.	RBS	2,000,000	27-Apr-12	1.00000%	22-May-13	2.25000%	1 Year	Direct
IP1046	National Westminster Bank plc	A	U.K.	RBS	2,000,000	18-Jul-12	1.00000%	21-Aug-13	2.25000%	1 Year	Direct
IP1083	Nationwide Building Society	A+	U.K.		1,000,000	09-Jan-13	0.44000%	09-Apr-13		3 Months	Tradition
IP1087	Nationwide Building Society	A+	U.K.		2,000,000	23-Jan-13	0.59000%	23-Jul-13		6 Months	Sterling
IP1090	Nationwide Building Society	A+	U.K.		1,000,000	01-Feb-13	0.60000%	01-Aug-13		6 Months	Tradition
IP1096	Nationwide Building Society	A+	U.K.		1,000,000	28-Feb-13	0.58000%	30-Aug-13		6 Months	R P Martin
IP1084	Salford City Council		U.K.		2,000,000	21-Jan-13	0.27000%	18-Apr-13		3 Months	Sterling
IP1089	Ulster Bank Ltd	A-	U.K.	RBS	1,000,000	28-Jan-13	0.65000%	29-Jul-13		6 Months	R P Martin
	Total Invested				26,856,000						

Matured Investment

IP813	Landsbanki Islands hf		Iceland		504,700	25-Jun-07	6.32000%	25-Jun-09		2 Years	R P Martin
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Other Loan

	Sevenoaks Leisure Limited				250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct
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SEVENOAKS DISTRICT COUNCIL
ANALYSIS OF INVESTMENT POOL FUND 31.3.2013

MATURITY PROFILE (BY VALUE)

BASED ON PERIOD OF INVESTMENT AT COMMENCEMENT DATE

MATURITY PERIOD	BANKS £'000	B.SOCS £'000	MMFS £'000	OTHER LAs £'000	TOTAL £'000
NOTICE MONEY	1,856		4,000		5,856
15 DAY NOTICE					-
UP TO 1 MONTH					-
1 TO 3 MONTHS	2,000	1,000		2,000	5,000
3 TO 6 MONTHS	1,000	4,000		2,000	7,000
6 MONTHS TO 1 YEAR	5,000				5,000
OVER 1 YEAR	4,000				4,000
	13,856	5,000	4,000	4,000	26,856

MATURITY PROFILE (PERCENTAGE OF TOTAL FUND)

BASED ON PERIOD OF INVESTMENT AT COMMENCEMENT DATE

MATURITY PERIOD	BANKS %	B.SOCS %	MMFS %	OTHER LAs %	TOTAL %
NOTICE MONEY	7.0	-	14.9	-	21.9
15 DAY NOTICE	-	-	-	-	-
UP TO 1 MONTH	-	-	-	-	-
1 TO 3 MONTHS	7.4	3.7	-	7.4	18.5
3 TO 6 MONTHS	3.7	14.9	-	7.4	26.0
6 MONTHS TO 1 YEAR	18.7	-	-	-	18.7
OVER 1 YEAR	14.9	-	-	-	14.9
	51.7	18.6	14.9	14.8	100.0

PROFILE OF REPAYMENTS DUE

	VALUE £'000	% TOTAL FUND
NOTICE MONEY	5,856	21.8
15 DAY NOTICE	-	0.0
DUE WITHIN ONE MONTH	3,000	11.2
DUE WITHIN TWO MONTHS	6,000	22.3
DUE WITHIN THREE MONTHS	-	0.0
DUE WITHIN SIX MONTHS	8,000	29.8
DUE WITHIN ONE YEAR	4,000	14.9
DUE AFTER ONE YEAR	-	0.0
	26,856	100.0

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TOTAL INTEREST ON FUND 2012/2013

Broker/Institution	Apr-12			May-12			Jun-12		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Nat West (Liquidity Select)	170,524.72	1,364.20	0.8000%	170,640.59	1,365.12	0.8000%	159,739.98	1,277.92	0.8000%
Ignis (Money Market Fund)	0.00	0.00	0.0000%	57,534.25	431.95	0.7508%	82,191.78	606.73	0.7382%
Insight (Money Market Fund)	0.00	0.00	0.0000%	57,534.25	361.75	0.6288%	82,191.78	519.60	0.6322%
Tradition	194,520.55	1,365.75	0.7021%	169,863.01	1,656.16	0.9750%	164,383.56	1,602.74	0.9750%
RP Martin	268,493.15	1,592.88	0.5933%	290,410.96	2,074.25	0.7142%	164,383.56	1,684.93	1.0250%
Sterling	493,150.68	2,684.38	0.5443%	378,082.19	2,655.34	0.7023%	493,150.68	2,909.59	0.5900%
Direct dealing	756,164.38	14,482.19	1.9152%	1,095,342.47	15,026.58	1.3719%	1,101,369.86	16,380.82	1.4873%
Fund Average	1,882,853.49	21,489.40	1.1413%	2,219,407.71	23,571.16	1.0620%	2,247,411.21	24,982.33	1.1116%
Other Interest		-0.39			0.00			2,297.91	
7 Day LIBID			0.4700%						0.4233%
3 Month LIBID			0.9510%			0.9213%			0.8700%

Broker/Institution	Jul-12			Aug-12			Sep-12		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Nat West (Liquidity Select)	146,239.86	1,169.92	0.8000%	86,032.92	688.26	0.8000%	77,759.95	622.08	0.8000%
Ignis (Money Market Fund)	117,808.22	847.79	0.7196%	254,794.52	1,744.68	0.6847%	246,575.34	1,641.58	0.6658%
Insight (Money Market Fund)	117,808.22	712.99	0.6052%	254,794.52	1,433.41	0.5626%	244,383.56	1,219.09	0.4988%
Tradition	169,863.01	1,404.11	0.8266%	169,863.01	1,002.19	0.5900%	164,383.56	969.86	0.5900%
RP Martin	169,863.01	1,752.05	1.0315%	169,863.01	1,766.30	1.0398%	164,383.56	1,430.14	0.8700%
Sterling	569,863.01	3,004.38	0.5272%	509,589.04	2,293.15	0.4500%	493,150.68	2,219.18	0.4500%
Direct dealing	1,139,726.03	17,107.85	1.5010%	1,034,246.58	19,328.36	1.8688%	1,084,931.51	18,797.26	1.7326%
Fund Average	2,431,171.36	25,999.10	1.0694%	2,479,183.61	28,256.36	1.1397%	2,475,568.17	26,899.19	1.0866%
Other Interest		2,228.27			0.00			1,953.80	
7 Day LIBID			0.4523%			0.4400%			0.4340%
3 Month LIBID			0.7584%			0.6274%			0.6083%

Broker/Institution	Oct-12			Nov-12			Dec-12		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Nat West (Liquidity Select)	91,701.90	733.62	0.8000%	83,425.66	667.41	0.8000%	86,263.20	690.11	0.8000%
Ignis (Money Market Fund)	254,794.52	1,569.26	0.6159%	246,575.34	1,335.38	0.5416%	254,794.52	1,292.91	0.5074%
Insight (Money Market Fund)	254,794.52	1,195.13	0.4691%	246,575.34	1,060.88	0.4302%	254,794.52	1,015.02	0.3984%
Tradition	169,863.01	920.27	0.5418%	164,383.56	756.16	0.4600%	219,178.08	949.04	0.4330%
RP Martin	169,863.01	1,477.81	0.8700%	164,383.56	1,421.92	0.8650%	169,863.01	1,392.88	0.8200%
Sterling	454,794.52	1,889.86	0.4155%	580,821.92	1,997.81	0.3440%	679,452.05	2,191.23	0.3225%
Direct dealing	1,213,698.63	19,662.20	1.6200%	1,071,232.88	18,904.38	1.7647%	1,035,068.49	19,302.20	1.8648%
Fund Average	2,609,510.12	27,448.15	1.0519%	2,557,398.27	26,143.94	1.0223%	2,699,413.89	26,833.38	0.9940%
Other Interest		2,493.02			0.00			2,120.12	
7 Day LIBID			0.4113%			0.4000%			0.4000%
3 Month LIBID			0.5610%			0.5200%			0.5200%

Broker/Institution	Jan-13			Feb-13			Mar-13		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Santander (MM a/c)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Nat West (Liquidity Select)	86,321.81	690.57	0.8000%	78,021.07	473.70	0.6071%	78,057.40	468.34	0.6000%
Ignis (Money Market Fund)	254,794.52	1,151.38	0.4519%	230,136.99	1,035.62	0.4500%	254,794.52	1,126.35	0.4421%
Insight (Money Market Fund)	254,794.52	969.86	0.3806%	230,136.99	840.95	0.3654%	178,082.19	630.70	0.3542%
Tradition	254,794.52	1,051.23	0.4126%	230,136.99	1,058.63	0.4600%	208,219.18	1,013.70	0.4868%
RP Martin	219,178.08	1,455.89	0.6643%	306,849.32	1,223.56	0.3988%	246,575.34	1,236.44	0.5014%
Sterling	553,424.66	1,938.63	0.3503%	460,273.97	1,810.41	0.3933%	509,589.04	2,004.38	0.3933%
Direct dealing	1,210,958.90	19,741.92	1.6303%	967,123.29	16,569.03	1.7132%	934,246.58	16,629.59	1.7800%
Fund Average	2,834,267.02	26,999.49	0.9526%	2,502,678.60	23,011.90	0.9195%	2,409,564.25	23,109.51	0.9591%
Other Interest		0.00			2,493.02			5,049.24	
7 Day LIBID			0.4000%			0.4000%			0.4000%
3 Month LIBID			0.5200%			0.5200%			0.5200%

Broker/Institution	Cumulative Totals		
	W.A.P	Interest Due	Ave Rate
Santander (BR a/c)	0.00	0.00	0.0000%
Santander (MM a/c)	0.00	0.00	0.0000%
Clydesdale (15 Day Notice)	0.00	0.00	0.0000%
Nat West (Liquidity Select)	1,314,729.07	10,211.25	0.7767%
Ignis (Money Market Fund)	2,254,794.52	12,783.63	0.5670%
Insight (Money Market Fund)	2,175,890.41	9,959.38	0.4577%
Tradition	2,279,452.05	13,749.86	0.6032%
RP Martin	2,504,109.59	18,509.04	0.7391%
Sterling	6,175,342.47	27,598.36	0.4469%
Direct dealing	12,644,109.59	211,932.38	1.6761%
Fund Average	29,348,427.70	304,743.90	1.0384%
Other Interest		18,634.99	
7 Day LIBID			0.4219%
3 Month LIBID			0.6581%

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

INVESTMENT RETURNS

	Actuals 10/11	Actuals 11/12	Actuals 12/13	Budget 12/13	Variance	Forecast 12/13
APR	31,431	21,722	21,489	13,502	7,987	21,500
MAY	36,831	21,983	23,571	15,074	8,497	23,600
JUN	36,164	25,342	27,280	15,944	11,336	27,300
JUL	33,361	25,498	28,227	16,070	12,157	28,200
AUG	27,858	29,446	28,256	17,425	10,831	28,300
SEP	23,532	26,586	28,853	17,156	11,697	28,800
OCT	26,352	30,200	29,941	17,603	12,338	29,900
NOV	25,254	27,636	26,144	18,323	7,821	26,100
DEC	24,240	24,871	28,954	19,730	9,224	29,000
JAN	27,832	26,525	26,999	20,578	6,421	27,000
FEB	22,501	22,078	25,505	18,355	7,150	25,500
MAR	21,179	25,935	28,159	16,240	11,919	28,200
	336,535	307,822	323,378	206,000	117,378	323,400

INVESTMENT RETURNS (CUMULATIVE)

	Actuals 10/11	Actuals 11/12	Actuals 12/13	Budget 12/13	Variance	Forecast 12/13
APR	31,431	21,722	21,489	13,502	7,987	21,500
MAY	68,262	43,705	45,060	28,576	16,484	45,100
JUN	104,426	69,047	72,340	44,520	27,820	72,400
JUL	137,787	94,545	100,567	60,590	39,977	100,600
AUG	165,645	123,991	128,823	78,015	50,808	128,900
SEP	189,177	150,577	157,676	95,171	62,505	157,700
OCT	215,529	180,777	187,617	112,774	74,843	187,600
NOV	240,783	208,413	213,761	131,097	82,664	213,700
DEC	265,023	233,284	242,715	150,827	91,888	242,700
JAN	292,855	259,809	269,714	171,405	98,309	269,700
FEB	315,356	281,887	295,219	189,760	105,459	295,200
MAR	336,535	307,822	323,378	206,000	117,378	323,400

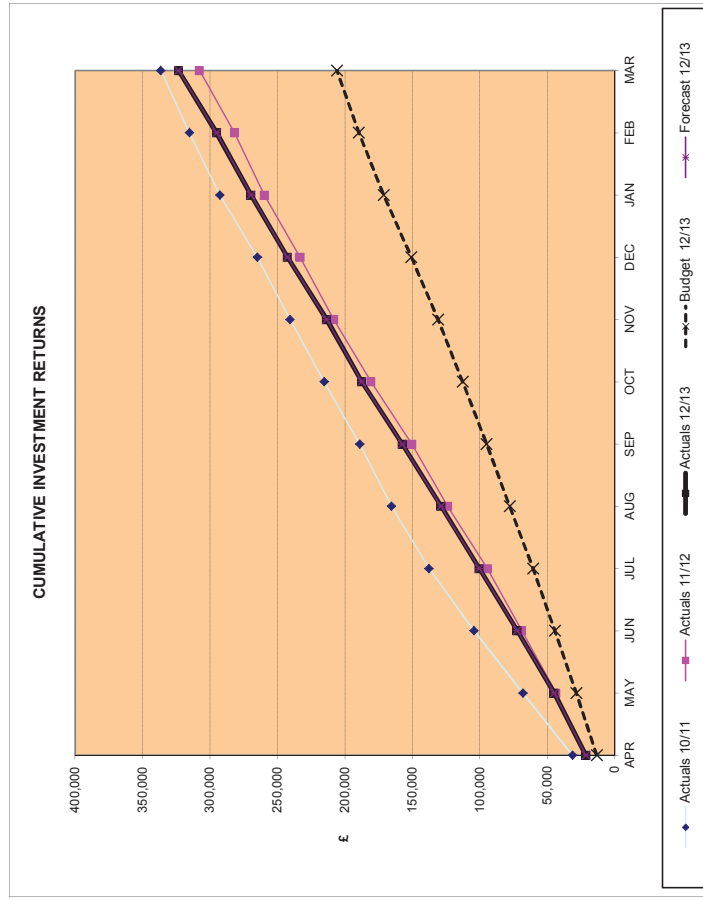
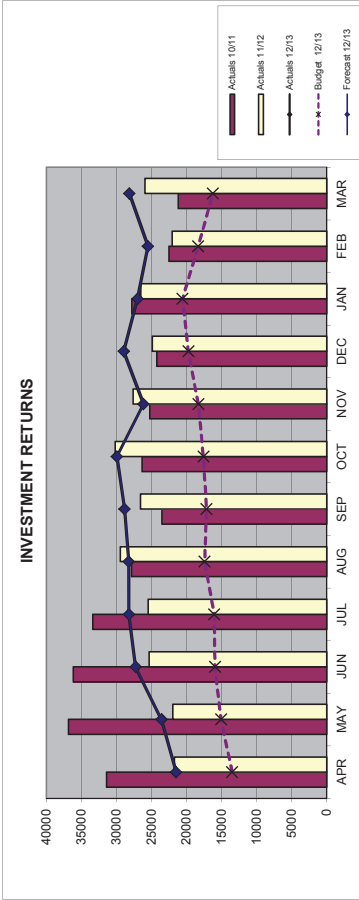
BUDGET FOR 2012/13 206,000
 FORECAST OUTTURN 323,400

CODE:- YHAA 96900

N.B.

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

Fund Average 1.0384%
 7 Day LIBID 0.4219%
 3 Month LIBID 0.6581%



FINANCIAL PROSPECTS AND BUDGET STRATEGY 2014/15 AND BEYOND

Cabinet - 12 September 2013

Report of Chief Finance Officer

Status: For Decision

Also considered by: Finance and Resources Advisory Committee – 29 August 2013

Key Decision: No

Executive Summary: This report sets out the major financial pressures the Council is likely to face over the next ten years, together with a proposed strategy for setting a balanced and sustainable budget for 2014/15 and beyond. The Council has an excellent track record in identifying, planning for and addressing financial challenges. In light of the challenging financial position facing all authorities three years ago, for 2011/12 the Council produced a 10-year budget together with a four-year savings plan for the first time. This will be the fourth year this method has been used and provides the Council with a stable basis for future years.

Building on the considerable progress made over recent years, this report updates Members on significant risk areas as well as setting out the way forward for the budget setting process.

The overall emphasis is on building on the strong framework provided by the 10-year budget, whilst taking into account any new Government funding and policy announcements as well as changes in the economy that have an impact on budget assumptions. This report also provides Members with the proposed timetable for the budget setting process.

It is increasingly difficult to produce an accurate forecast at this stage due to the level of uncertainty being greater than ever before. The assumptions currently included take into account the latest information and are intended to start the debate. They will be updated as more accurate information becomes available during the budget setting process.

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

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153

Helen Martin Ext. 7483

Lee Banks Ext. 7161

Recommendation to Finance and Resources Advisory Committee:

- (a) Advise Cabinet with views on the ten-year financial planning approach and principles set out in this report.

Recommendation to Cabinet:

- (b) That subject to the views of the Finance and Resources Advisory Committee, endorse the ten-year financial planning approach and principles set out in this report;
 - (c) request Advisory Committees to review Service Plans and advise Cabinet of possible growth and savings options;
 - (d) request officers to continue to review the assumptions in this report and report back to Cabinet on 5 December 2013; and
 - (e) note the budget timetable set out in Appendix A.
-

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 deficit figure 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 short-term reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year

budget, together with a four-year savings plan, that ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.

- 5 The intention of this report is to enable Members to give early consideration to the pressures likely to be faced by the Council and put in place a long-term solution that ensures service reductions are minimised. This report sets out the high level approach and principles but a report to Cabinet on 5 December 2013 will provide further budget details along with analysis of the areas the Cabinet has requested officers to consider in assisting the balancing of the budget, as well as feedback from advisory committees on proposed service plans for 2014/15 onwards.

Financial Pressures 2014/15 to 2023/24

Overall Summary

- 6 In the medium term, the Council will have to progress its savings plan and maintain tight control over net expenditure in order to deliver its 10-year budget.
- 7 Looking at expenditure, inflation is running at 2.8% (CPI at July 2013). At this early stage we are anticipating the Council is likely to receive a reduction of 7% in Government Support in 2014/15 and further 18% reduction in 2015/16.
- 8 The 10-year budget attached at Appendix B shows a shortfall of £0.667m. The financial challenges and uncertainty ahead are likely to leave little flexibility over the period.
- 9 The paragraphs below set out the position in more detail and assess the impact on the current Financial Plan.

Income

- 10 **Government Support** (£3.8m in 2013/14) – The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received, however tariffs and top ups are applied to ensure that initially each local authority is not significantly affected by this change.
- 11 In the first year of this scheme, it has been assumed that this council will receive funding at the safety net level as no significant increase in the amount of Business Rates collected was expected. Future projections continue to take this prudent approach and further analysis will be completed when more information on the current years collection is available.
- 12 Provisional Government Support figures for 2014/15 were provided in February and show a 7% reduction in funding. The Government's Spending Round on 26 June 2013 announced a 10% reduction to local government funding in 2015/16. However, as certain functions provided by upper tier authorities are receiving protection, it is expected that the impact on district councils will be much more severe. The current assumption for 2015/16 is a reduction of 18%. This would mean that the Council would have seen a 5-year grant reduction of around 54%.

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- 13 There remains a significant risk to the level of funding the Council will receive from Government in future years. Since the figures published in the June spending round the Government has announced further top slices from the total local government expenditure levels, totalling £2,248m (10% of the total spend), with the greatest amount coming from New Homes Bonus as explained below. The Government has provided very little detail making it difficult to predict the likely impact on this Council. It is anticipated that the Government will clarify the impact of these announcements alongside the final local government funding levels in December this year.
- 14 **New Homes Bonus** (£1.0m) – the Government started this new funding stream in 2011/12 with the intention that local authorities would be rewarded for new homes being built over a six-year period. In the last 10-year budget, New Homes Bonus was only included for the initial period, however, it is now anticipated, based on some national groups and think tanks that this will continue for the full period of this 10-year budget. In the Government’s Spending Round, it was announced that this funding would be top sliced by 40% to help fund the Single Local Growth Fund. This adjustment has been made to the assumptions for 2015/16 and 2016/17 with the same assumption in later years.
- 15 **Council Tax** (£8.7m) – The change from Council Tax Benefit to Council Tax Support from 1 April 2013 reduced the Council Tax base and therefore reduced Council Tax income.
- 16 The assumptions for Council Tax which were approved by Council on 19 February 2013 were for an increase of 3% in 2014/15 and 4% in later years. The Government referendum limit was set at 2% in 2013/14 and this will continue until 2015/16. The assumptions in the 10-year budget attached have therefore been reduced to 2% for 2014/15 to 2015/16 and 3% for later years.
- 17 It has also been assumed that there will be an increase to the tax base each year resulting in additional Council Tax income. This is due to the changes made earlier this year to Council Tax discounts, additional work to check Single Person Discount entitlements, the general increase in the number of residential properties and future developments.
- 18 **Investment income** (£0.2m) – returns are continuing to be significantly lower than they were a few years ago due to low interest rates and the revision of the Council’s current Investment Strategy towards a low risk approach. It is certain that the Council’s reserves will continue to fall due to their use in the 10-year budget; so as a consequence, investment income will continue to reduce. The latest assumption is for the following returns: 0.8% in 2014/15, 1.2% in 2015/16 and 1.3% in later years based on the Bank Rate estimates provided by our treasury advisors.
- 19 **Variable income sources** – The Council receives income in fees and charges from a number of sources. This includes (income figures are shown gross):
- Land Charges (£0.2m);
 - Development Control (£0.7m);

- Building Control (£0.5m); and
 - Car parks (£2.0m);
 - On-street parking (£0.8m)
- 20 The first three are linked to some extent to activity in the housing market and remain vulnerable; however, they are all slightly above budget at 31 July 2013.
- 21 Despite the current economic conditions on-street parking income is currently slightly above budgeted levels but off-street parking income is currently slightly below budget. Any future on-street parking increases will need to be contained within inflation levels.
- 22 **External Funding** (£0.6m) - the Council has been very successful in securing external funding across a range of services, based on it delivering a wide range of innovative services, often in partnership with other agencies, to local residents. The Council's officers continue to seek new opportunities for funding. As financial constraints are put on public services the funding available from health and other public bodies is expected to reduce.
- 23 **Partnership working** - Various services have included savings from partnership working in recent years budgets and this continues to be an area that is being investigated. The Council successfully works in partnership with other authorities in a number of areas, including Revenues, Benefits, Internal Audit and Anti Fraud, Finance, IT, Licensing and Environmental Health. Further partnership working ideas will continue to be investigated but opportunities are becoming limited.
- 24 **Use of reserves** - One of the principles of the Financial Strategy is to make more effective use of the remaining earmarked reserves. When this strategy was first used in 2011/12, it was agreed that the remaining balances in the Asset Maintenance and Superannuation Fund Deficit Reserves would be moved to a new Financial Plan Reserve and used over the initial 10-year budget period. The Budget Stabilisation Reserve was also set up at the same time to manage the fluctuations between years to ensure that an overall balanced budget remained for the 10-year period. This reserve has been increased by surpluses achieved on the revenue budget since 2009/10. The surpluses were mainly due to over £2.7m being received for VAT refunds.

Expenditure

- 25 **Pay** costs total £13m. The nationally agreed 2013/14 pay award has recently been finalised at 1%. The 10-year budget assumes the pay award for 2014/15 to 2015/16 will also be 1%; 1.5% in 2016/17 to 2017/18 and 2% in later years.
- 26 **Superannuation fund** - the last pension fund triennial valuation, which was the first by the new actuaries Barnett Waddingham, took place in November 2010 and showed a significant improvement compared to the previous valuation. This was better than predicted but the full impact was not built in to the 10-year budget due to the threat that the next valuation could be worse. It is proposed to use the reserve that has built up since 2011/12 to extend the Financial Plan Reserve for two years until 2023/24. The next triennial valuation is due in November 2013.

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- 27 ***Non-pay costs*** – the budget assumes non-pay costs will increase by an average of 3% in 2014/15 and 2.25% in later years. In practice, items such as rates and energy costs have risen at a higher rate, so other non-pay items have been allowed a much lower inflation increase. Inflation is currently at 2.8% (CPI – July 2013). It will be challenging to contain the inflation on current services within these levels.
- 28 ***Welfare reform changes*** - the changes affecting Housing Benefits regarding Universal Credit were looked at by a Member Scrutiny Group last year. It is uncertain how the final scheme will operate, whether staffing and funding levels will reduce, the timescales involved and whether this Council will need to provide additional resources to support our residents. The change to the Local Council Tax Support Scheme from 1 April 2013 was seen by many as one of the biggest changes to local government since the community charge. In the current economic climate, the cost of benefits will continue to increase and the impact on district councils both financially and from a social wellbeing perspective is likely to be significant and unsustainable. The full effect of both of these changes will potentially have an adverse financial impact.
- 29 ***Unavoidable service pressures*** - One of the lessons to be learnt from previous financial strategies is that there is always a likelihood of unavoidable service pressures and there needs to be a clear strategy in dealing with these. The model does not allow for unavoidable service pressures which could be significant. These will be identified in the Service Plan stage of the budget process.
- 30 ***Progress on the 4 year savings plan*** – 2014/15 will be the fourth year of using the 10-year budget. The current savings plan includes 84 items and some of those contain a significant element of risk. The majority of these savings have already been achieved and Portfolio Holders, Management Team and Heads of Service have worked closely to deliver these savings.

- 31 The following table shows the differences between the 10-year budget agreed by Council on 19 February 2013 and the latest version set out in Appendix B.

10-Year Budget	£m
Previous 10-year Budget (surplus)	(0.6)
Changes:	
10-year budget rolled on by one year	0.6
Pay inflation: reduction	(2.6)
Other costs inflation: increased	2.1
Government support: reduction	4.8
New Homes Bonus: extend to 23/24	(6.5)
Council Tax: reduction	7.0
Council Tax: increased tax base	(3.3)
Superannuation Fund Reserve: use to extend Financial Plan Reserve for two years until 23/24	(0.8)
Revised budget gap	0.7

Proposed Business and Financial Planning Strategy

- 32 In order to maintain a viable Council that continues to deliver on its main priorities and the services it provides to its residents, the Council has already adopted a Financial Strategy that embraces the following principles:
- A ten-year balanced budget;
 - Flexible use of the Budget Stabilisation Reserve;
 - More effective use of remaining earmarked reserves;
 - Structured use of capital receipts; and
 - The review and tighter management of inflationary pressures.
- 33 It is recommended that this strategy continues to be adopted.

External Audit

- 34 Our external auditor made the following comment in the Value for Money section of his most recent Annual Governance Report.

“The quality of financial governance and leadership within an organisation is critical in meeting the financial management challenges and for securing financial

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resilience. Although good basic systems, controls and processes are important, it is the overall financial culture that makes the difference. Sevenoaks District Council has a strong culture of financial leadership provided by experienced and knowledgeable officers who have been able to respond to the scale of financial challenges arising from cuts in government funding.

The Authority's financial planning and modelling extends over the long term, which allows it to take decisions in a planned way, allowing for the lead-in time that is necessary in implementing organisational change."

Process and timetable

- 35 Members will note from the timetable set out in Appendix A that this report has also been considered by the Finance and Resources Advisory Committee at its meeting on 29 August 2013 and any comments will be considered at this meeting. All Advisory Committees will be presented with their Service Plans and Service Change Impact Assessments (SCIAs) in October and November when they may be asked to come up with savings proposals for their areas. Cabinet will receive a Budget Update report on 5 December 2013 taking into account any updated information and feedback from the Advisory Committees. Cabinet will agree its final budget on 6 February 2014 and full Council will consider the budget on 18 February 2014.

Consultation

- 36 Residents will be consulted on the suggestions for budget changes put forward by the Advisory Committees. Their views will then be considered prior to decisions being made as to how the budget will be balanced.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

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

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

Community Impact and Outcomes

Members' early consideration of the issues raised in this report would be beneficial to residents in that a planned approach to achieving a balanced budget should produce the best outcome for the community in limiting the level in budget reductions.

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?	Not at this stage of the Budget Setting process.	Individual equalities assessments will be completed for all of the Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

Conclusions

There is no doubt that there are a number of risks associated with this approach, including significant cost pressures that may destabilise the ten-year budget. However, by adopting this approach, many of these will be predictable and more importantly, the Council will be better placed to react to such events. This solution also allows the Council a little more stability and sustainability in delivering its services and dealing with its finances.

The Strategic Financial and Business Planning process has ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult financial challenges which it has faced. The 10-year budget has further improved this process and helped to ensure that the Council is well placed in dealing with more immediate and longer-term financial challenges.

Looking at the medium term, although the Council has made considerable savings in previous years, it is possible that additional savings will be required to meet the expected pressures explained earlier in the report and also for potential growth items. Changes in grant distribution methodology and welfare reform changes are two major factors that are likely to have a significant impact on the Council

The level of Government support this Council is likely to receive in the next two years and beyond remains very uncertain as the Government continues to announce changes to the funding given to local authorities generally. These announcements contain very little detail that makes it very difficult to predict the impact on this Council. The level of

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Government support is more uncertain than it has ever been as the position has never shifted as much or as frequently in the past.

This budget process will once again be a major financial challenge for a Council that already provides value for money services to a high standard. In making any budget proposals, Members will need to consider the impact on service quality and staff well-being, to ensure that these proposals lead to an achievable 10-year budget that supports the Council's aspirations for customer-focused services.

Appendices

Appendix A – Budget Timetable

Appendix B – 10-year Budget

Background Papers:

None

Adrian Rowbotham
Chief Finance Officer

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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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	14,709	15,125	15,537	15,932	16,260	16,700	17,136	17,549	17,963
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)	(404)	(119)	(117)	(143)	(162)	(301)	(186)	(187)	0	0	0
New growth and savings	140	20	0	0	0	0	0	0	0	0	0
Net Service Expenditure b/f	13,800	14,709	15,125	15,537	15,932	16,260	16,700	17,136	17,549	17,963	18,379
Financing Sources											
Government Support (1)	(3,788)	(3,542)	(2,904)	(2,841)	(2,814)	(2,898)	(2,985)	(3,075)	(3,167)	(3,262)	(3,360)
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)	(234)	(356)	(375)	(351)	(317)	(286)	(260)	(239)	(221)	(221)
Contributions to Reserves	787	418	418	418	298	298	298	298	298	298	298
Contributions from Reserves	(795)	(580)	(580)	(580)	(580)	(580)	(580)	(580)	(580)	(405)	(405)
Total Financing	(14,463)	(14,918)	(14,320)	(147,770)	(15,174)	(15,601)	(16,046)	(16,514)	(17,002)	(17,336)	(17,881)
Budget Gap (surplus)/deficit	(663)	(209)	805	767	758	659	654	622	547	628	499
Contribution to/(from) Stabilisation Reserve	663	209	(805)	(767)	(758)	(659)	(654)	(622)	(547)	(628)	(499)
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 5,033 4,348 3,702 2,943 2,284 1,630 1,007 460 (168) (667)

Assumptions	
Government Support:	-7% 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

To continue to have a balanced budget, permanent savings of £67,000 starting in 2014/15 would be required, or £74,000 from 2015/16

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PROCUREMENT STRATEGY UPDATE

Cabinet – 12 September 2013

Report of Chief Officer Environmental & Operational Services

Also considered by: Finance and Resources Advisory Committee – 29 August 2013

Status: For Consideration

Key Decision: No

This report supports the Council Promise to provide value for money

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Richard Wilson (Ext. 7262)
Lee Banks (Ext. 7161)

Recommendation to Cabinet

That the updated Procurement Strategy be adopted

Reason for recommendation: To ensure that the Council has in place an appropriate strategy that guides all procurement activity across the council.

Introduction and Background

- 1 The Council's current Procurement Strategy was adopted by Cabinet in September 2010. Since this time the Council's Officer Procurement Group has kept the Strategy under review to ensure it continues to comply with relevant legislation and best practice in procurement as well as supporting the Council in meeting its priorities.
- 2 With the Council adopting its new vision and promises and the introduction of The Public Services (Social Value) Act it is evident that the current Procurement Strategy requires updating to ensure it continues to provide an appropriate framework for all procurement activity across the council.

Updates to the Procurement Strategy

- 3 The Procurement Strategy as adopted in 2010 continues to provide a robust framework for procurement activity across the council by ensuring key principles are considered in the award of any contract for goods or services.

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- 4 It is a requirement of the Strategy that any amendments required to it are reported to Members for their consideration and approval. In summary the Procurement Strategy at Appendix A includes the following updates:
- Revised Council Vision & Promises section (page 1 of the Strategy) to reflect those adopted by Council;
 - Addition of a Social Value principle (page 2 of the Strategy) to reflect new requirements placed up on the Council through The Public Services (Social Value) Act; and
 - The introduction of an Effective Practice & Decision Making section (page 3 of the Strategy) to improve the clarity of the Strategy. All of the content in this new section was previously included as 'Procurement Principles'.
- 5 Minor amendments have been made to more accurately reflect the role of the Council's Officer Procurement Group and the design and layout of the Strategy has been updated to align with other policy and strategy documents and to improve the readability of the document.

Other Options Considered and/or Rejected

- 6 No further options have been considered by Officers. The update to the Strategy is imperative to support best practice procurement across the council. Members may wish to recommend any other areas that the Strategy should consider to further improve the Council's approach to procurement.

Key Implications

Financial

- 7 The Procurement Strategy is designed to support the delivery of best value in all decision making in the purchase of goods and services. Adoption of the updated Procurement Strategy will continue to promote effective use of council resources and value for money.

Legal Implications and Risk Assessment Statement

- 8 Failure to follow appropriate procurement guidance and legislation has the potential to create significant complications for a local authority. The Strategy promotes best practice and Officers are clear on the requirements to adhere to financial and contract procedure rules, and to take the professional advice of the Council's legal service to ensure guidance and legislation is followed in all procurement activity.
- 9 The Council's Officer Procurement Group plays a key role in minimising risk to the Council and regular Internal Audit reviews provide assurance that appropriate practices are being followed and recommendations for improvement will be made where this is not the case.

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	A core principle within the Council's Procurement Strategy is consideration of Equality and Diversity and the positive benefits that can be brought to the council and the community through procurement activity. An impact assessment will be completed to support the Cabinet in making their decision on the strategy in accordance with Council policy.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		None.

Conclusions

Updates to the council's Procurement Strategy have been recommended to Members to ensure that the framework that guides the decision making on all purchases of goods and services is in accordance with relevant legislation and best practice in procurement as well as supporting the Council in meeting its priorities.

Subject to the consideration of the Finance and Resources Advisory Committee it is recommended that the updated Strategy put forward is recommended for adoption by Cabinet.

Appendices

Appendix – Procurement Strategy

Background Papers:

Council Vision and Promises

<http://cds.sevenoaks.gov.uk/documents/s4900/Item%205b%20The%20Developing%20Vision.pdf>
<http://cds.sevenoaks.gov.uk/documents/s4900/Item%205b%20The%20Developing%20Vision.pdf>

The Public Services (Social Value) Act

<http://www.legislation.gov.uk/ukpga/2012/3/contents>

Mr Richard Wilson

Chief Officer Environmental & Operational Services

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Sevenoaks District Council

Procurement Strategy



Procurement Strategy

This strategy sets out a clear framework for procurement at Sevenoaks District Council. It reflects the Council Vision and Promises and aligns with the financial and contract procedure rules set out in the Council's Constitution.

The Strategy is reviewed annually by the Council's Officer Procurement Group and updated as necessary to reflect developments in best practice procurement. Where updates are required the Procurement Strategy is reported to Members for approval.

We are always interested in ways to improve our approach to the Procurement and welcome your suggestions.

Contact us

Policy & Performance
Sevenoaks District Council
Argyle Road
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Kent TN13 1HG

01732 227000
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Publication details

Purpose of the Procurement Strategy

To ensure that the Council adopts appropriate principles in the purchase of goods and services, in accordance with legislation and its own contract and financial procedure rules.

Publication date

August 2013

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■ Council Vision & Promises	1
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1. Background & Information

Introduction

Procurement is the process of acquiring goods, works and services from a range of suppliers. The process spans the whole cycle from the identification of needs through to the end of a services contract or the end of the useful life of an asset.

Procurement is broader than just buying or commissioning, it is about securing goods and services that best meet the needs of service users and the local community.

Procurement is a tool that when used effectively helps the Council to achieve its overall objectives. It remains critical to deliver best value in procurement but that does not mean that the key focus should be on price. It is important that procurement decisions are made in line with wider service and Council objectives. For Sevenoaks District Council this means considering environmental, social and community benefits alongside financial cost. Striking this balance is at the heart of best value procurement

Council Vision & Promises

All procurement activity is undertaken to help the Council achieve its vision and promises. The vision of the District Council can be summarised as:

“Pride in the District of Sevenoaks by working with the Community as a whole, to sustain and develop a fair, safe and thriving local economy.”

The Council’s promises are to:

- Provide value for money;
- Work in partnership to keep the District of Sevenoaks safe;

Continue to collect rubbish efficiently and effectively;

- Protect the Green Belt; and
- Support and develop the local economy.

The principal aim of this Procurement Strategy is to set a clear framework for best value procurement that enables the Council to achieve these promises and deliver its vision for the District.

Procurement at Sevenoaks District Council

Procurement is a key function that is embedded across all Council services. The Council has an established Officer Procurement Group with the primary objective to embed best practice procurement across the Council and oversee and champion improvement in procurement practices across the Council. Each Officer on the Procurement Group acts as a ‘Procurement Champion’ within their service area to ensure a best practice approach is adopted whenever a procurement exercise is undertaken. ‘Procurement Champions’ are supported by independent advice from the Council’s Legal Service.

This approach ensures the Council has a pool of procurement experience to draw on to deliver its aim of embedding best practice procurement across the Council.

The production of annual Procurement Plans is a key tool for services. They set out what needs to be procured each year, at what point in time and by which procurement method, i.e. quote, tender or EU procurement. The Procurement Plans form the basis for all procurement activity at Sevenoaks District Council.

2. Procurement Principles

Best Value

The Council seeks to deliver the best value for money in the procurement of all goods and services. This may not always be the lowest price but the procurement option that delivers the best value for money over the whole life of the product or contract.

An assessment of best value will incorporate a number of the principles set out in this strategy.

Social Value

The Public Services (Social Value) Act 2012 requires the Council to consider, at pre-procurement stage, how what is to be procured may improve social, environmental and economic well being of the District.

The Council will consider how social value could be improved through its procurement and will consult with the community on the design of procurement specifications to enhance social value where it is necessary to do so.

The Social Value Act is applied only to public service contracts and framework agreements to which Parts A and B of Schedule 3 of the Public Contracts Regulations 2006 apply and only those within this that are above EU thresholds in value.

Sustainability

Sustainability is an important consideration when making procurement decisions. It ensures that the Council considers the environmental impact of its procurement decisions. Environmental impact is assessed at the key stages of procurement to ensure that principles of waste reduction, recycling and use of environmentally acceptable materials are met.

Tools have been developed to assist officers in applying sustainability considerations, primarily through 'Pre-Purchase Questionnaires'.

Equality and Diversity

All procurement procedures comply with the Council's Equalities Statement and the Disability Discrimination Act.

The Council has regard to appropriate workforce strategies through the procurement process and includes an assessment of a potential suppliers approach to equalities and diversity as part of the tender evaluation criteria.

Tools have been developed to ensure officers apply Equalities criteria to procurement decisions including through 'Impact Assessment' templates.

Collaboration and Working in Partnership

The Council is committed to collaborating with other local authorities and organisations in the procurement process whenever it is appropriate. At each point a procurement need arises the Council always considers whether working in partnership or collaborating could deliver better outcomes or value for money.

Supporting Local Business and Small and Medium Enterprises

The Council is committed to supporting local businesses and community organisations, as well as small and medium enterprises (SMEs) to compete for and win contracts, insofar as it is possible within the legal framework.

3. Effective Practice & Decision Making

Effective practice

The Council fulfils its statutory duties meeting both EU Directives and UK statutory requirements, and taking account of case law that emerges. The Council also ensures that it follows the rules set out in its Constitution.

No one individual is permitted to authorise all stages of the procurement process. The authority to release funds from a budget is separated from the authority to certify the purchase, so as to ensure that at least two people are involved in determining that the purchase is legitimate, necessary and that it delivers value for money.

The Council's Officer Procurement Group oversees and champions best practice in procurement and works to ensure effective practice in all procurement. The Group is supported by advice from the Council's Legal Service and periodic Internal Audit reviews provide valuable feedback on the effectiveness of procurement practice.

Ethical behaviour

The highest standards of professional behaviour are expected from all Councillors and Officers in their dealings with partners and suppliers. The Council must always act with integrity and, where possible, with openness in undertaking procurement.

Any conflicts of interest in the procurement process are documented and managed in line with the Council's Constitution.

The Council must always act fairly with suppliers in all matters, including prompt payment in accordance with agreed terms. There is no favouritism or bias shown towards one supplier over another. Procurement decisions must always be communicated clearly.

Decision Making

Procurement decisions are based on clear and justifiable evidence. They are transparent and have an audit trail which can be scrutinised.

Criteria are established prior to invitations to tender to enable a balanced assessment to be made which takes into account quality, deliverability and fitness for purpose. Such criteria are shared with potential suppliers.

Procurement decisions are always made on the basis of the whole life evaluation of quotes and tenders.

Continuous Improvement

Procurement opportunities are always seen as an opportunity to improve. This can be improved outcomes for service users or the local community, better performance levels or reduced cost.

Continuous improvement is also applied to the on going training and development of officers involved in the procurement process and the tools the Council uses to assist in procurement activity. This includes the use of annual procurement plans, flow charts of procurement rules, user friendly guides and best practice advice on the Council Intranet and the use of the South East Business (SEB) portal.

Where contracts run for a number of years the contract is sufficiently flexible to provide for continuous improvement through the period of the contract.

3. Effective Practice & Decision Making

(continued)

Risk Management

The Council ensures that any risk to the authority or the community it serves, is properly recognised in all its procurement dealings. Risks are identified, evaluated and managed at every stage of the procurement process in accordance with the Council's risk management strategy and framework.

Staffing-related issues

Employees affected by any procurement process are consulted and those who may transfer as a consequence of a procurement decision will be protected under the Transfer and Undertaking Protection Regulations (TUPE).

The Council is committed to ensuring that contractors are good employers, and will look to ensure that contractors (and their subcontractors) utilise local labour wherever possible, particularly for apprenticeship schemes and similar.

4. Additional Information

Links to plans and strategies

The Council's Procurement Strategy is aligned to the commitments made in a number of other Council plans and strategies. These include the:

- Council's Constitution;
- Financial Procedure Rules;
- Contract Procedure Rules;
- Financial Strategy;
- Human Resources Strategy;
- Equality Statement;
- IT Strategy; and
- Risk Management Strategy.

Guidance for officers

Further procurement guidance is available on the Council's Intranet. This information includes:

- Procurement Policies;
- 'How to' Procurement Guides; and
- Best practice tools and advice.

Guidance for suppliers

Further procurement guidance is available to all potential suppliers on the Council's website. This information includes:

- Suppliers Guide;
- Financial Thresholds for contracts and tenders;
- Contract Register (through SEB Portal); and
- Current Contract Opportunities (through SEB Portal).

Sevenoaks District Council

Procurement Strategy

If you have any comments about this document or require further copies, please contact:

**Policy & Performance
Sevenoaks District Council
Argyle Road
Sevenoaks
Kent
TN13 1HG**

Telephone **01732 227000**

E-mail **policy@sevenoaks.gov.uk**

Further information about Procurement is available on the Council's website at www.sevenoaks.gov.uk/procurement

Other formats:

This publication is available in large print.

For a copy, call 01732 227000.

If you need help communicating with us or understanding this document, we can arrange for an interpreter to help you. Please contact us on 01732 227000 stating your language and telephone number.

www.sevenoaks.gov.uk

August 2013



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PERFORMANCE REPORT

Cabinet – 12 September 2013

Report of Chief Executive
Status: For Consideration
Key Decision: No

This report supports the Council Promise to provide value for money

Portfolio Holder Cllr. Peter Fleming
Contact Officer(s) Lee Banks (Ext. 7161)

Recommendation to Cabinet:

- (a) Members note the contents of the report; and
 - (b) Refer any areas where performance of a service is of concern to the appropriate Advisory Committee for their consideration.
-

Reason for recommendation: To ensure that performance of services is considered by the Cabinet and any areas where the performance of services is a concern are investigated by Members.

Introduction and Background

- 1 In July 2013 Cabinet agreed the performance indicators to be monitored and the targets performance will be assessed against for 2013/14. This report provides Members with an update on services performance against those indicators and targets.
- 2 The performance report provided at Appendix A to this report summarises the overall performance within each Portfolio Holders areas of responsibility and provides an exceptions report, with a commentary from officers explaining the reasons why performance is not within 10% of target and detailing any actions the service is planning to take to improve performance levels.

Performance Reporting

- 3 To further improve the transparency of performance reporting for 2013/14 Members are able to see the performance for the most recent month alongside the cumulative performance for the year to date within Appendix A to this report.
- 4 It is hoped that provision of data in this way will better enable Members to prioritise areas for improvement by demonstrating more readily whether any under

Agenda Item 11

performance is a short term issue or more prolonged. For example a performance indicator where both monthly performance and year to date performance is 'red' may be considered more of a priority than an area where monthly performance is 'red' and overall performance is 'green'.

- 5 Where areas of under performance are of concern to the Cabinet it is recommended that they refer them to the appropriate Advisory Committee for review. It is recommended that this course of action is only taken where Members are of the opinion that the current actions set out by Officers in their commentaries are unlikely to bring on the level of improvement Members expect.

Performance Overview

- 6 The following table summarises the performance levels as at the end of July 2013.

	Current Month	Year To Date
Red <i>10% or more below target</i>	4 (10%)	3 (8%)
Amber <i>Less than 10% below target</i>	4 (10%)	6 (15%)
Green <i>At or above target</i>	31 (80%)	30 (77%)

- 7 For Members information there are seven indicators where there is no information to report for this period. In three of these cases information is being gathered from partners and delaying the publication of data. In the remaining four cases there is not yet data to report for the year.

Other Options Considered and/or Rejected

- 8 None.

Key Implications

Financial

- 9 Effective performance management monitoring arrangements will assist the Council in diverting resources to areas or services where it is considered to be a greater priority.

Legal Implications and Risk Assessment Statement.

- 10 Robust arrangements are in place to ensure that the risk of inaccurate data being reported to Members is minimised and assurance can be placed on the accuracy of data used to assess performance. By reporting to Members and ensuring all Members are able to access the Council's performance management system the risk of poor performance not being identified or addressed is minimised.

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 report provides information on the performance of services. The way in which those services are delivered are subject to their own Equality Impact Assessments.
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?		Not applicable.

Conclusions

- 11 This report to Members summarises performance across the Council to the end of July 2013. Members are asked to consider four performance indicators which are performing 10% or more below their target and if the actions being taken by officers are not deemed sufficient are recommended to refer those indicators to the relevant Advisory Committee for further assessment.

Appendices

Appendix A – Performance Data

Background Papers:















None.

**Dr Pav Ramewal
Chief Executive**

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Portfolio Holder for Economic & Community Development

Performance Summary

Current Months Performance	Indicators	Year to Date Performance
	Percentage of Penalty Charge Notices cancelled	
	Percentage of full plans / Building Notices acknowledged within 3 working days	
	Percentage of full plans checked within 10 working days	
	The percentage of local land charge searches carried out within 10 working days	
	Percentage of actions in the Sustainable Community Action Plan achieved	
	Percentage of actions in the Economic Development Action Plan achieved	
	Percentage of Health Action Plan on target	







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Exceptions Report

No red indicators to report

Portfolio Holder for Finance & Resources

Performance Summary

































Current Months Performance	Indicators	Year to Date Performance
	Debts outstanding more than 61 days	
	The percentage of business rates collected in-year	
	The percentage of council tax collected in-year	

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Exceptions Report

No red indicators to report


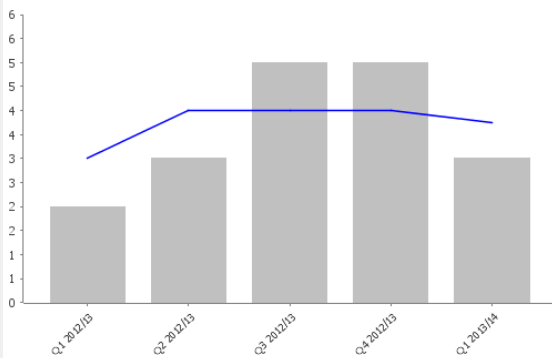

Portfolio Holder for Housing & Community Safety

Performance Summary

Current Months Performance	Indicators	Year to Date Performance
	Average number of days to process new benefits claims	
	Average number of days to process change of events	
	Percentage of higher risk food inspections due that was done (higher risk is categories A & B)	
	Percentage of food establishments in the area which are broadly compliant with food hygiene law	
	The percentage of valid personal licences processed within 2 weeks	
	The percentage of valid temporary event notices processed within 72 hours	
	Number of unauthorised encampments started in the District	
	Total number of homelessness applications received	
	Number of households living in temporary accommodation	
	Number of affordable homes delivered (gross)	
	Total number of homelessness acceptances	
	The number of dwellings vacant for more than six months returned to occupation or demolished	
	Percentage of due Environmental Protection Regulation inspections completed	
	Percentage of animal licences issued that were due	
	Percentage of Health and Safety category A premises inspections due which were completed	
	Percentage of Community Safety Partnership actions achieved	































Portfolio Holder for Housing & Community Safety

Exceptions Report

Code	Short Name	Current Months Value	Current Months Target	Current Months Status	Performance Chart	Cumulative (Year to Date) Performance			Officer Commentary
						2013/14			
						Value	Target	Status	
HP001	The number of dwellings vacant for more than six months returned to occupation or demolished	3	4			3	4		<p>Targets for the number of empty homes returned to use are based on officers best estimate of completions expected each quarter. However, there is often some slippage in progress which can result in works to empty properties being delivered later than first anticipated. The target remains reasonable for 15 empty properties to be returned to use by the end of the financial year.</p> <p>The Council continues to work proactively and effectively with the Kent County Council No Use Empty scheme and has access to funding to turn around empty homes.</p>


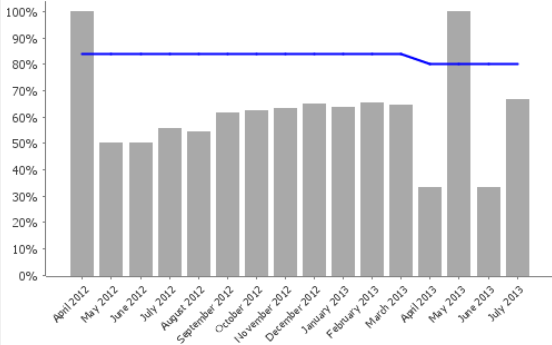

Portfolio Holder for Planning & Environment

Performance Summary


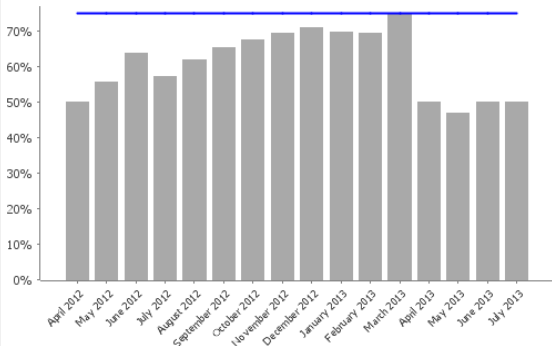

Current Months Performance	Indicators	Year to Date Performance
	Percentage of household waste sent for reuse, recycling and composting	
	Number of missed collections per 100,000	
	Number of missed green waste collections	
	Average number of days taken to remove fly tips which the District Council has responsibility to clear	
	Average number of days taken to remove abandoned vehicles	
	Percentage of cleaning schedules completed to agreed frequency	
	Number of justified Street Cleaning complaints	
	Percentage of planning applications assessed for validation in 5 days	
	Percentage of decisions delegated	
	Percentage of missed green waste collections corrected by next working day	
	Processing of planning applications: Minor applications in 8 weeks	
	Processing of planning applications: Other applications in 8 weeks	
	Percentage of missed collections put right by the next working day	
	Processing of planning applications: Major applications in 13 weeks	
	Percentage of appeals against planning application refusal dismissed	

Portfolio Holder for Planning & Environment


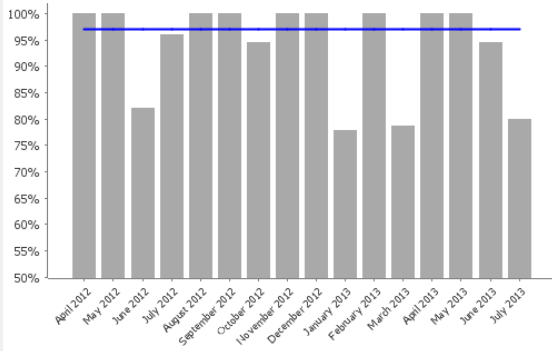

Exceptions Report

Code	Short Name	Current Months Value	Current Months Target	Current Months Status	Performance Chart	Cumulative (Year to Date) Performance			Officer Commentary
						2013/14			
						Value	Target	Status	
LPI DC 007a	Processing of planning applications: Major applications in 13 weeks	66.67%	80.00%			54.55%	80.00%		<p>In July two of three major applications were determined within the statutory period, the exception being the Morewood Close residential development which exceeded the statutory period because Members voted to defer the application at the April Committee for the scheme to be revised.</p> <p>For the year to date 6 of 11 major applications have been determined within the statutory period. Of those that went out of time Bourchier Close, Greatness Mills and 94-96 London Road were called to Committee.</p> <p>Communication was maintained throughout with the applicants in these cases including advance notification of the likely Committee date.</p> <p>Each of the remaining cases only slightly exceeded the statutory period and included an amendment to a scheme at Bonney Way, Swanley.</p>

Cabinet Performance Report (Data for July 2013)











Code	Short Name	Current Months Value	Current Months Target	Current Months Status	Performance Chart	Cumulative (Year to Date) Performance			Officer Commentary																																		
						2013/14																																					
						Value	Target	Status																																			
DC 809	Percentage of appeals against planning application refusal dismissed	50%	75%		 <table border="1"> <caption>Monthly Performance Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Apr 2012</td><td>50%</td></tr> <tr><td>May 2012</td><td>55%</td></tr> <tr><td>June 2012</td><td>65%</td></tr> <tr><td>July 2012</td><td>58%</td></tr> <tr><td>August 2012</td><td>62%</td></tr> <tr><td>September 2012</td><td>65%</td></tr> <tr><td>October 2012</td><td>68%</td></tr> <tr><td>November 2012</td><td>70%</td></tr> <tr><td>December 2012</td><td>72%</td></tr> <tr><td>January 2013</td><td>70%</td></tr> <tr><td>February 2013</td><td>70%</td></tr> <tr><td>March 2013</td><td>75%</td></tr> <tr><td>April 2013</td><td>50%</td></tr> <tr><td>May 2013</td><td>48%</td></tr> <tr><td>June 2013</td><td>50%</td></tr> <tr><td>July 2013</td><td>50%</td></tr> </tbody> </table>	Month	Percentage	Apr 2012	50%	May 2012	55%	June 2012	65%	July 2012	58%	August 2012	62%	September 2012	65%	October 2012	68%	November 2012	70%	December 2012	72%	January 2013	70%	February 2013	70%	March 2013	75%	April 2013	50%	May 2013	48%	June 2013	50%	July 2013	50%	50%	75%		<p>The proportion of appeals dismissed has unfortunately risen this year after hitting the 75% target in 2012/13 if Member overturns are disregarded. Analysis of the appeals allowed shows that the determining issues were very wide ranging with no single issue dominant.</p> <p>Out of 20 appeals allowed since the beginning of the year, residential character and amenity which are often matters of individual judgement were determining issues in 7 cases and Green belt in 6 (generally extensions and replacement buildings), actually a lower proportion than in some previous quarters.</p> <p>The other appeals included two affordable housing cases where the previous history was particularly relevant, a highway safety issue, one fence, a listed building consent, a tree application and a lawful development certificate. Three appeals allowed were Member overturns.</p> <p>Officers continue to review appeal decisions to identify lessons for improving future practice and briefing sessions are also held on appeals for Development Control Committee Members.</p>
Month	Percentage																																										
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May 2012	55%																																										
June 2012	65%																																										
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Cabinet Performance Report (Data for July 2013)

Code	Short Name	Current Months Value	Current Months Target	Current Months Status	Performance Chart	Cumulative (Year to Date) Performance			Officer Commentary																																		
						2013/14																																					
						Value	Target	Status																																			
LPI Waste 003	Percentage of missed collections put right by the next working day	80%	97%		 <table border="1"> <caption>Performance Chart Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>April 2012</td><td>100%</td></tr> <tr><td>May 2012</td><td>100%</td></tr> <tr><td>June 2012</td><td>82%</td></tr> <tr><td>July 2012</td><td>95%</td></tr> <tr><td>August 2012</td><td>100%</td></tr> <tr><td>September 2012</td><td>100%</td></tr> <tr><td>October 2012</td><td>95%</td></tr> <tr><td>November 2012</td><td>100%</td></tr> <tr><td>December 2012</td><td>100%</td></tr> <tr><td>January 2013</td><td>78%</td></tr> <tr><td>February 2013</td><td>78%</td></tr> <tr><td>March 2013</td><td>100%</td></tr> <tr><td>April 2013</td><td>100%</td></tr> <tr><td>May 2013</td><td>100%</td></tr> <tr><td>June 2013</td><td>95%</td></tr> <tr><td>July 2013</td><td>80%</td></tr> </tbody> </table>	Month	Percentage	April 2012	100%	May 2012	100%	June 2012	82%	July 2012	95%	August 2012	100%	September 2012	100%	October 2012	95%	November 2012	100%	December 2012	100%	January 2013	78%	February 2013	78%	March 2013	100%	April 2013	100%	May 2013	100%	June 2013	95%	July 2013	80%	93.61%	97%		<p>During July there were only 10 missed collections across the District. 8 of these were collected the next working day. The two remaining missed collections were corrected but not within the target time.</p> <p>The year to date performance relates to only 47 missed collections in the first four months of the year, which equates to one missed collection in every 18,000. Of those which were missed 44 were collected the next working day.</p>
Month	Percentage																																										
April 2012	100%																																										
May 2012	100%																																										
June 2012	82%																																										
July 2012	95%																																										
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May 2013	100%																																										
June 2013	95%																																										
July 2013	80%																																										

Portfolio Holder for Strategy & Performance

Performance Summary

Current Months Performance	Indicators	Year to Date Performance
	Percentage of all queries resolved at the first point of contact by the Contact Centre	
	Percentage of phone calls to the Contact Centre abandoned by the caller	
	The average number of working days lost to sickness absence per FTE	
	The percentage of Local Performance Indicators at or above target level	
	Percentage of phone calls answered within 20 seconds by the Contact Centre	

Exceptions Report

No red indicators to report

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