

FINANCE ADVISORY COMMITTEE

17 November 2015 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks

AGENDA

Membership:

Chairman: Cllr. Searles Vice-Chairman: Cllr. Scholey
Cllrs. Mrs. Bayley, Bosley, Cooke, Esler, Eyre, Kelly, Krogdahl, Lake, Pett and Rosen

	<u>Pages</u>	<u>Contact</u>
Apologies for Absence		
1. Minutes To agree the minutes of the meeting of the Committee held on 2 June 2015, as a correct record.	(Pages 1 - 4)	
2. Declarations of Interest Any interest not already registered		
3. Actions from Previous Meeting (if any)		
4. Update from Portfolio Holder		
5. Referral from Cabinet or the Audit committee (if any)		
6. Overview of Revenues and Benefits - Presentation	(Pages 5 - 6)	Nick Scott Tel:01732 227397
7. Budget: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	(Pages 7 - 40)	Adrian Rowbotham Tel: 01732 227153
8. Treasury Management Mid Year Update	(Pages 41 - 52)	Roy Parsons Tel: 01732 227204
9. Financial Performance Indicators 2015/16 to the end of September 2015	(Pages 53 - 58)	Helen Martin Tel: 01732 227483
10. Financial Results 2015/16 to the end of September 2015	(Pages 59 - 98)	Helen Martin Tel: 01732 227483
11. Work Plan	(Pages 99 - 100)	

EXEMPT ITEMS

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

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

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)

FINANCE ADVISORY COMMITTEE

Minutes of the meeting held on 2 June 2015 commencing at 7.00 pm

Present: Cllr. Searles (Chairman)

Cllr. Scholey (Vice-Chairman)

Cllrs. Mrs. Bayley, Cooke, Esler, Kelly, Krogdahl, Lake, Pett and Scholey

Apologies for absence were received from Cllrs. Bosley and Rosen

1. Appointment of Chairman

Resolved: That Cllr. Searles be appointed as Chairman of the Committee for the ensuing municipal year.

(Cllr. Searles in the Chair)

2. Appointment of Vice-Chairman

Resolved: That Cllr. Scholey be appointed as Vice-Chairman of the Committee for the ensuing municipal year.

3. Minutes

Resolved: That the Minutes of the meeting of the Finance and Resources Advisory Committee held on 14 April 2015 be agreed and signed by the Chairman as a correct record.

4. Declarations of Interest

No additional declarations of interest were made.

5. Actions from Previous Meeting

The actions from the Finance and Resources Advisory Committee meeting held on 14 April 2015, were noted.

6. Update from Portfolio Holder

The Chairman and Portfolio Holder for Finance advised that he was new to the role and was looking forward to the challenge ahead.

7. Referrals from Cabinet or the Audit Committee

There were no referrals.

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Finance Advisory Committee - 2 June 2015

8. Scope of Officer Responsibilities

The Chief Finance Officer presented a report which provided details of the role of the Committee, its areas of responsibility and key issues and challenges facing those areas. Members received a short [presentation](#) on the relevant service areas.

9. Financial Performance Indicators 2014/15 - to the end of March 2015

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of March 2015 which Members considered.

Resolved: That the report be noted.

10. Provisional Outturn 2014/15 and Carry Forward Requests

The Head of Finance presented the provisional financial outturn figures for 2014/15 which would be presented to Cabinet at its meeting on 4 June 2015, and set out the requests to carry forward unspent budgets into 2015/16 for Revenue items.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that

- a) the Revenue 'carry forward' requests totalling £204,090 as set out in paragraph 14 of the report be approved;
- b) the Capital carry forward request totalling £140,000 as set out in paragraph 15 of the report be approved;
- c) a sum of £50,000 be transferred to the Housing Surveys earmarked reserve to enable a Stock Condition survey to be completed in 2015/16;
- d) a Health and Safety Earmarked Reserve be established, and a sum of £100,000 be transferred to that reserve as at the end of March 2015; and
- e) a sum of £60,000 be set aside to provide for payment in respect of restitutionary claims and costs in respect of personal search fees.

11. Work Plan

The work plan was noted. It was agreed that the meeting of the 25 February 2016 would be moved to 18 April 2016.

1 September 2015: Introduction to Audit, Risk and Anti-Fraud

17 November 2015: Introduction to Revenues and Benefits

25 January 2016: Introduction to Procurement Strategy

Finance Advisory Committee - 2 June 2015

Risks and Assumptions for Budget 2016/17
Capital and Asset Maintenance Budget 2016/17
Treasury Management Strategy 2016/17
Financial Performance Indicators 2015/16 – to the end of
November 2015
Financial Results 2015/16 – to the end of November 2015

18 April 2016: Introduction to Facilities Management
Financial Performance Indicators 2015/16 – to the end of February
2016
Financial Results 2015/16 – to the end of February 2016

THE MEETING WAS CONCLUDED AT 7.40 PM

CHAIRMAN

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OVERVIEW OF REVENUES AND BENEFITS – PRESENTATION

Finance Advisory Committee - 17 November 2015

Report of Chief Finance Officer

Status: For information

Key Decision: No

Portfolio Holder Cllr. Searles

Contact Officer(s) Nick Scott Ext. 7397

Recommendation to Finance Advisory Committee

That the presentation on the statutory responsibilities and operating arrangements in the Revenues and Benefits shared service be noted

Reason for recommendation: To provide Members with an overview of the primary responsibilities and general operation of the service

Introduction and Background

- 1 This is an informative presentation aimed at giving Members a broad understanding of the statutory and administrative responsibilities undertaken by the service.
- 2 The key areas to be covered in the presentation are:
 - Housing Benefit
 - Council Tax Support
 - Council Tax, and
 - Business Rates

Key Implications

Financial – None

Legal Implications and Risk Assessment Statement – None/Not applicable

Equality Assessment – No impact

Conclusions

That the presentation be noted.

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Appendices None

Background Papers: None

Adrian Rowbotham
Chief Finance Officer

**BUDGET 2016/17: REVIEW OF SERVICE DASHBOARDS AND SERVICE CHANGE
IMPACT ASSESSMENTS (SCIAS)**

Finance Advisory Committee – 17 November 2015

Report of Chief Finance Officer

Status: For Decision

Also considered by: Housing and Health Advisory Committee – 22 September 2015

Economic and Community Development Advisory Committee –
24 September 2015

Direct and Trading Advisory Committee – 6 October 2015

Legal and Democratic Services Advisory Committee – 8 October
2015

Planning Advisory Committee – 13 October 2015

Policy and Performance Advisory Committee – 26 November
2015

Key Decision: No

Executive Summary: This report sets out updates to the 2016/17 budget within the existing framework of the 10-year budget and savings plan. The report presents proposals that have been identified which need to be considered, together with further suggestions made by the Advisory Committees, before finalising the budget for 2016/17.

Informed by the latest information from Government and discussions with Cabinet, it is proposed that from next year the Council sets a budget which assumes no funding from Government through the Revenue Support Grant. This is the first major step taken towards the Council's ambition to be financially self-sufficient as set out in its Corporate Plan.

To achieve this aim and to ensure a balanced budget position over the next 10 year period, whilst also increasing the Council's ability to be sustainable beyond that time, a savings requirement of £500,000 in 2016/17 is required, along with additional income or savings of £100,000 in each of the following nine years.

Portfolio Holder Cllr. Searles

Contact Officer(s) Adrian Rowbotham Ext. 7153

Helen Martin Ext. 7483

Recommendation to each Advisory Committee:

- (a) Advise Cabinet with views on the growth and savings proposals identified in Appendix D applicable to this Advisory Committee.
- (b) Advise Cabinet with further suggestions for growth and savings.

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

Introduction and Background

- 1 The Council's financial strategy over the past eleven 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. In financial terms, the adoption of this strategy has to date allowed the Council to move away from its reliance on general fund reserves.
- 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. However, using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available in future months and current assumptions may need to be updated.
- 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 With the amount of Revenue Support Grant provided by Government continuing to reduce at a significant rate it is important that the council aims to become more financially self-sufficient by having a balanced economy and a financial strategy that is focused on local solutions. These solutions include:

- a) continuing to deliver financial savings and service efficiencies;
 - b) growing the council tax base; and
 - c) generating more income.
- 6 The intention of this report is to provide Members of each Advisory Committee an opportunity to give their views on potential growth and savings items that could be included in the updated 10-year budget that will be presented to Council on 16 February 2016.
- 7 The 'Financial Prospects and Budget Strategy 2016/17 and Beyond' report has been presented to Cabinet to start the budget setting process for 2016/17.
- 8 This report presents members with the following documents relating to the budget for 2016/17:
- a) Service Dashboards relating to the Advisory Committee (Appendix A);
 - b) 2015/16 Budget by Service relating to the Advisory Committee (Appendix B);
 - c) Summary of the Council's agreed savings plan and growth items (Appendix C);
 - d) New growth and savings items proposed (Appendix D);
 - e) Service Change Impact Assessment forms (SCIAs) for the new growth and savings items relating to the Advisory Committee – if applicable (Appendix E);
 - f) 10-year budget (Appendix F);
 - g) Budget timetable (Appendix G).

Financial Self-Sufficiency

- 9 The Council's Corporate Plan, introduced in 2013, set out an ambition for the Council to become financially self-sufficient. This would mean the Council no longer required direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 10 This approach was adopted in response to the financial challenges the Country is faced with in bringing its public spending down to ensure it is able to live within its means. In practice this has seen Government funding to local authorities dramatically reduced since 2010/11 with Sevenoaks District Council seeing a 32% reduction in its funding from government in 2015/16 alone.
- 11 The decision to become financially self-sufficient is intended to give the Council greater control over their services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.
- 12 The attached 10-year budget assumes no Revenue Support Grant from 2016/17 and no New Homes Bonus from 2019/20. If funding continues to be received from these sources, the intention is to put it into the Financial Plan Reserve which can be used to support the 10-year budget by funding invest to save initiatives and

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support for the Property Investment Strategy. One of the aims of the Property Investment Strategy is to achieve returns of 6%; therefore using funding for this purpose will result in additional year on year income that is not impacted by Government decisions.

- 13 Cabinet are keen to become financially self-sufficient early to be ahead of the game and after reviewing the assumptions in the 10-year budget it is clear that it is an achievable aim to be free from Government control and be able to move ahead in the knowledge that this council has the financial resources to provide the services that the district's residents want into the future.

Service Dashboards

- 14 This is a new document as it is the intention to provide Members with improved information during the budget setting process to provide context and inform any growth and savings ideas that Members may put forward.
- 15 The Service Dashboards cover a summary of the services provided, objectives, challenges and risks, achievements and opportunities, priorities and performance.
- 16 Appendix A contains the Service Dashboards for those services directly relevant to this Advisory Committee and Appendix B contains the budget for those services.

Savings Plan

- 17 Appendix C to this report sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12, which have allowed the Council to deliver a 10 year balanced budget.
- 18 The savings plan requires a total of £5.3 million to be saved between 2011/12 and 2016/17 which is an average saving of nearly £900,000 per annum. In the twelve years from 2005/06, over £10m of savings will then have been made.
- 19 Further savings are scheduled to be made in later years as previously agreed by Council.

Proposed Growth Items

- 20 Growth items are items that are in addition to non-service issues and risks, such as grant settlements, impacts of economic change and other pressures highlighted in the 'Financial Prospects and Budget Strategy 2016/17 and Beyond' report considered by Cabinet on 17 September 2015.

- 21 A list of the growth items proposed can be found in Appendix D and a summary by Advisory Committee is shown in the following table:

Advisory Committee	Annual Impact £000	10-year Budget Impact £000
Direct and Trading	36	360
Economic and Community Development	39	390
Finance	55	550
Housing and Health	-	-
Legal and Democratic Services	40	400
Planning	-	-
Policy and Performance	-	-
Total	170	1,700

- 22 In addition, the growth item for making the staffing establishment levels permanent in the Economic Development and Property Team (SCIA1) is included in the 'New Growth' line on the 10-Year Budget.

Proposed Savings Items

- 23 A number of savings items are also being proposed which can also be found in Appendix D and a summary by Advisory Committee is shown in the following table:

Advisory Committee	Annual Impact £000	10-year Budget Impact £000
Direct and Trading	(15)	(75)
Economic and Community Development	(10)	(100)
Finance	(233)	(2,330)
Housing and Health	(40)	(400)
Legal and Democratic Services	-	-
Planning	(20)	(200)
Policy and Performance	(300)	(3,000)
Total	(618)	(6,105)

- 24 Service Change Impact Assessments (SCIAs) contain further details for all proposed growth and savings items. SCIAs applicable to this Advisory Committee can be found in Appendix E.
- 25 Members should note that even if all of the growth and savings proposals included in Appendix D are agreed, further savings will still need to be identified to reach the £500,000 target.

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Financial Summary

- 26 It is increasingly difficult to produce an accurate forecast at this early stage due to the level of uncertainty, in particular for Government Support. The assumptions currently included take into account the latest information available but a number of assumptions may change before the final budget meeting in February 2015.
- 27 The 10-year budget attached at Appendix E includes the changes that were included in the 'Financial Prospects and Budget Strategy 2016/17 and Beyond' report.

Role of the Advisory Committees

- 28 Views of the Advisory Committees on the growth and savings items proposed together with any additional suggestions will be considered by Cabinet at its meeting on 3 December 2015.
- 29 To assist the Advisory Committees in making additional suggestions, a number of questions will be asked and Members will be requested to write their answers on post-it notes and put on the relevant board.
- 30 The questions that Members will be asked at the Advisory Committees are:
- a) What services should the Council invest more in?
 - b) What services should the Council disinvest from?
 - c) What services work well?
 - d) What services don't work well?
 - e) What issues would you like Cabinet to take into account?
- 31 Officers will summarise the answers before the Committee decides on suggestions to be recommended to Cabinet. The focus of the answers and recommendations should be on the services within the terms of reference of the Advisory Committee however, comments relating to other services will also be passed onto Cabinet.

Process and Timetable

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

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

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

Challenges and risks are included in the Service Dashboards and each Service Change Impact Assessment (SCIA) includes the likely impacts including a risk analysis.

Financial risks will be reviewed again when the Cabinet publishes its proposals for the annual budget.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and varies between groups of people.

Individual equality impact assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent.

Conclusions

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.

By becoming financially self-sufficient at an early stage, this Council will become much more in control of its own destiny as the Property Investment Strategy should provide a much more stable income stream than the reducing direct government funding streams.

The attached 10-year budget shows that this Council can continue to be financially stable going into the future with a level of assurance that any council would aspire to.

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.

Members' consideration and scrutiny of the relevant services is an essential and key element in the business and financial planning process. If the net total of growth and

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savings proposals identified by the Advisory Committees and approved by Cabinet does not reach the £500,000 savings target, additional savings will be required that may result in service changes, to ensure a balanced budget position.

Appendices

Appendix A – Service Dashboards relating to this Advisory Committee.

Appendix B – 2015/16 Budget by Service relating to this Advisory Committee.

Appendix C – Summary of the Council’s agreed savings plan and growth items.

Appendix D – New growth and savings items proposed.

Appendix E - Service Change Impact Assessment forms (SCIAs) for the new growth and savings items relating to this Advisory Committee (if applicable).

Appendix F – 10-year budget.

Appendix G – Budget timetable.

Background Papers:

- a) Report to Council 17 February 2015 – Budget and Council Tax Setting 2015/16
- b) Report to Cabinet 17 September 2015 – Financial Prospects and Budget Strategy 2016/17 and Beyond

Adrian Rowbotham
Chief Finance Officer

Advisory Committee responsibilities
 Anti-fraud, audit & corporate governance, budget & financial strategy, housing benefit, local tax and strategic risk

Objectives

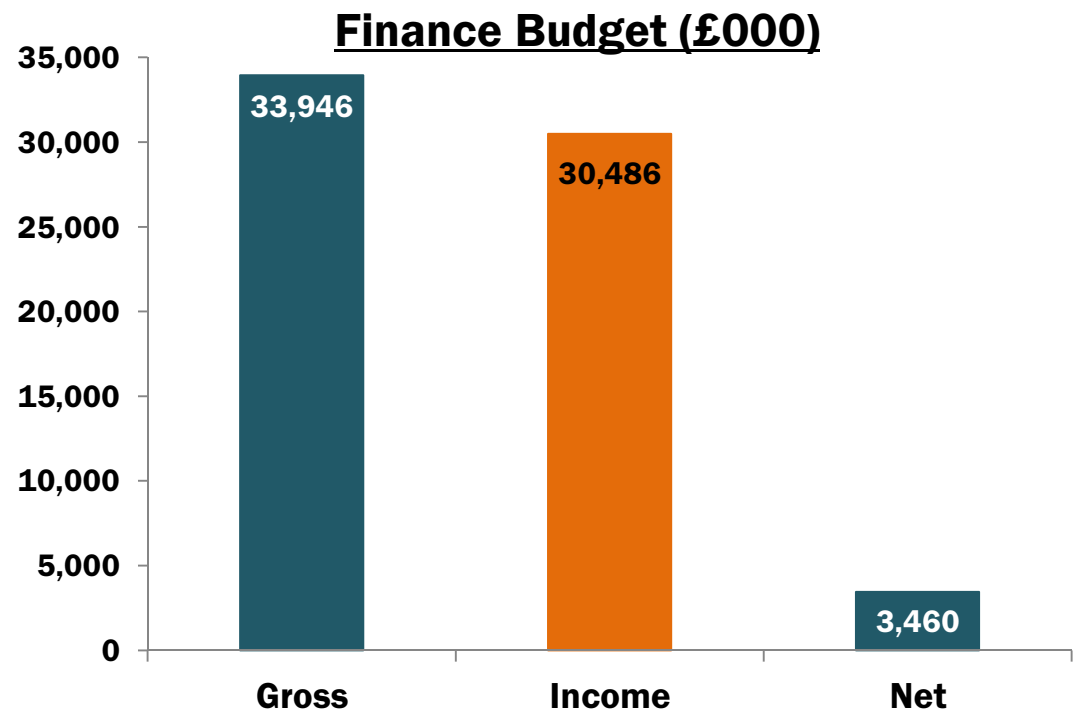
- To deliver on the Council's financial strategy, seeking to set a balanced 10 year budget and achieving financial self-sufficiency
- To manage the Council's Treasury Management function, process and pay creditor invoices and ensure prompt and full recovery of sundry debtor accounts
- Deliver the Council's Internal Audit Plan & risk management processes and give an overall opinion on internal control through the Annual Governance Statement
- To collect council tax and business rates and ensure the full and accurate payment of housing benefits and council tax support to claimants
- Investigate cases of housing benefit fraud and provide an extended service through single person discount investigations and other areas of fraud

Achievements & Opportunities

- Established the 10 year budget framework and delivered balanced budgets in each of the last four years
- Delivering savings in excess of £250,000 a year by providing services in audit, fraud, housing benefit and local tax in partnership with Dartford Borough Council
- Completed an external review of the internal audit service
- Higher levels of overpaid housing benefit identified by fraud investigators in 2014/15
- Council tax direct debit take up has continued to increase
- Housing benefit fraud and error reduction incentive scheme (FERIS) threshold achieved

Challenges & Risks

- Delivering on the Council's financial strategy for self-sufficiency taking account of Government plans for localised business rates
- Meeting the shorter deadlines imposed for the completion of the annual financial statements
- Delivering an action plan to improve the value added by the internal audit service
- Implementation of a Counter Fraud Team from February 2016
- Preparing the Council and residents for the implementation of Universal Credit and wider Welfare Reform
- Reviewing the Revenues & Benefits service to further improve the service provided to customers

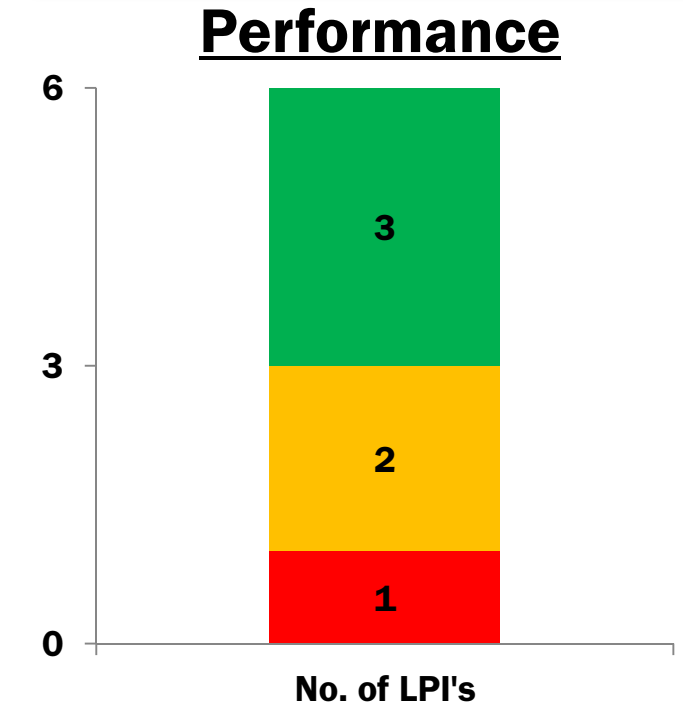


Service contribution

- Statutory service (5 padlock icons)
- Income generating (5 pound coin icons)
- Working in partnership (5 speech bubble icons)

Corporate priorities

- Self sufficiency ✓
- Value for Money ✓
- Safe district ✓
- Collect rubbish effectively ✗
- Protect Green Belt ✗
- Local Economy ✓



Advisory Committee responsibilities
 Facilities Management including facilities services, asset maintenance, post and scanning

Objectives

- Ensure key operational assets are maintained as required within budgetary constraints
- Ensure that the Argyle Road offices are fit for purpose, well maintained and generating income where possible
- Scan incoming correspondence and historical documentation to ensure the effective storage and delivery of electronic information
- Maintain the flow of incoming and outgoing post for the organisation

Achievements & Opportunities

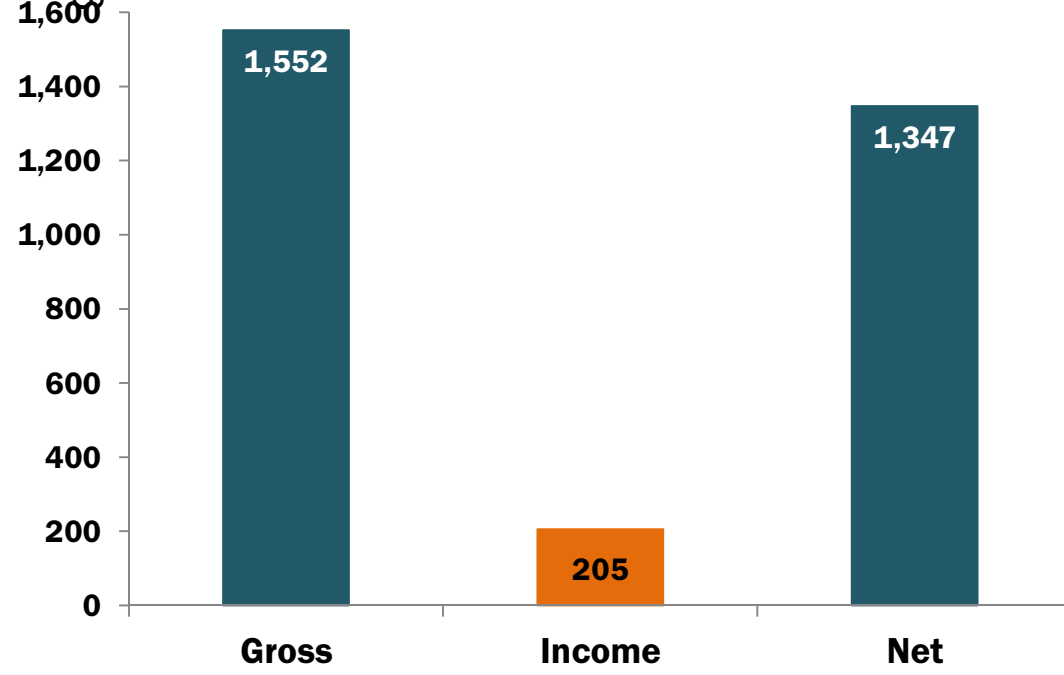
- Reduction in energy costs via installation of LED lighting within Council Offices
- Income generation through renting out of Argyle Road office space to partners including MOAT Housing, KCC and Kent Police
- Scanning and removal of historical paper documentation – currently the equivalent of nearly 2 million sheets of paper
- Identified and procured works required for the stabilisation of a Scheduled Monument - Otford Palace
- Supported the delivery of the elections in May 2015, dealing with many of the associated logistical challenges

Challenges & Risks

- Asset maintenance – Leisure Centres
- Asset maintenance – Hever Road
- Supporting changing scanning requirements to ensure the effective use of electronic information
- Continue to ensure the Council Offices are accessible, working with relevant groups in relation to specific areas
- Support the continued operation of Council Services on a daily basis and meet demands due to severe weather events

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Facilities Management Budget (£000)



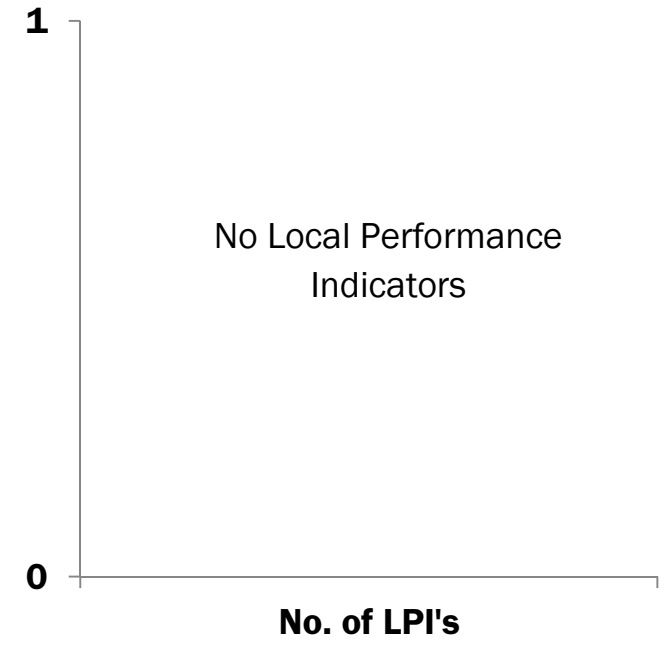
Service contribution

- Statutory service
- Income generating
- Working in partnership

Corporate priorities

- Self sufficiency ✓
- Value for Money ✓
- Safe district ✓
- Collect rubbish effectively ✗
- Protect Green Belt ✗
- Local Economy ✗

Performance



Finance Advisory Committee: 2015/16 Budget by Service

Revenue		2015/16	2015/16	2015/16
Chief Officer	Description	Expenditure	Income	Net
		£'000	£'000	£'000
Corporate Support	Administrative Expenses - Property	4	0	4
Corporate Support	Asset Maintenance Argyle Road	69	0	69
Corporate Support	Asset Maintenance Hever Road	6	0	6
Corporate Support	Asset Maintenance Leisure	167	0	167
Corporate Support	Asset Maintenance Other Corporate Properties	30	0	30
Corporate Support	Asset Maintenance Sewage Treatment Plants	8	0	8
Corporate Support	Asset Maintenance Support & Salaries	92	0	92
Corporate Support	Bus Station	21	(6)	15
Corporate Support	Estates Management - Buildings	100	(137)	(37)
Corporate Support	Housing Premises	13	(14)	(1)
Corporate Support	Support - Central Offices	483	(53)	430
Corporate Support	Support - Central Offices - Facilities	256	(9)	247
Corporate Support	Support - General Admin - Post, Scanning, MFD's	276	0	276
Corporate Support	Support - Property Function	39	0	39
Financial Services	Administrative Expenses - Chief Executive	36	0	36
Financial Services	Administrative Expenses - Financial Services	35	0	35
Financial Services	Benefits Admin	1,006	(212)	794
Financial Services	Benefits Grants	28,911	(29,570)	(659)
Financial Services	Dartford Partnership Hub (SDC costs)	0	0	0
Financial Services	Dartford Partnership Implementation & Project Costs	114	(144)	(30)
Financial Services	Housing Advances	2	0	2
Financial Services	Local Tax	618	(498)	120
Financial Services	Misc. Finance	2,410	0	2,410
Financial Services	Support - Audit Function	194	(48)	146
Financial Services	Support - Exchequer and Procurement	135	0	135
Financial Services	Support - Finance Function	213	0	213
Financial Services	Support - General Admin	145	0	145
Financial Services	Treasury Management	112	0	112
		35,498	(30,691)	4,807

Capital		2015/16
Chief Officer	Description	Expenditure
		£'000
Corporate Support	Back-up Generator	140
		140

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Summary of the Council's Agreed Savings and Growth Items

Appendix C

SCIA		Description	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000	Total £000
Year	No.									
		Direct and Trading Advisory Committee								
		No savings or growth agreed from 2016/17 onwards								
		Economic and Community Development Advisory Committee								
2014/15	2	Economic Development & Property Team - SCIA originally called 'Broadband and business growth' (reversal of temporary growth item)						(50)	(30)	
		Finance Advisory Committee								
2011/12	62,63	Staff terms and conditions - savings agreed by Council 18/10/11						(143)	(836)	
2015/16	1	Staffing: Employers National Insurance increase from April 2016 - implications due to change in legislation						200		
2015/16	10	External Audit fee reduction (reversal of temporary saving item)							30	
2015/16	11	Dartford BC partnerships: revised split of costs (reversal of temporary saving item)						90		
		Housing and Health Advisory Committee								
2015/16	17	Housing Advice: Bed and breakfast reduction (reversal of temporary saving item)						10		
2015/16	18	Housing Advice: Private sector letting scheme (reversal of temporary saving item)						10		
		Legal and Democratic Services Advisory Committee								
		No savings or growth agreed from 2016/17 onwards								
		Planning Advisory Committee								
2014/15	15	Planning: Use CIL funds for monitoring						(50)		
		Policy and Performance Advisory Committee								
2014/15	18	Corporate Projects (reversal of temporary growth item)						(60)		
2014/15	21	Customer Services: Channel shift programme						(20)		
		Total Savings	(2,984)	(841)	(314)	(479)	(533)	(103)	(806)	(6,060)
		Total Growth	371	45	50	327	177	90	(30)	1,030
		Net Savings	(2,613)	(796)	(264)	(152)	(356)	(13)	(836)	(5,030)

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New Growth and Savings Proposals

Proposal shown as 'New Growth' on the attached 10-year budget						
SCIA Year	No.	Description	Year	Ongoing	Annual Impact £000	10-year Budget Impact £000
Growth						
Policy and Performance Advisory Committee						
2016/17	1	Economic Development & Property: Staffing establishment levels made permanent	2016/17	yes	88	1,342
Total					88	1,342

Proposals not included on the attached 10-year budget						
SCIA Year	No.	Description	Year	Ongoing	Annual Impact £000	10-year Budget Impact £000
Growth						
Direct and Trading Advisory Committee						
2016/17	2	Street Cleaning: Fly-tipping clearance and enforcement action	2016/17	yes	36	360
Economic and Community Development Advisory Committee						
2016/17	3	Tourism: Full-time Tourism Officer	2016/17	yes	39	390
Finance Advisory Committee						
2016/17	4	Facilities Management: Loss of asset maintenance income	2016/17	yes	13	130
2016/17	5	Facilities Management: Asset maintenance at Hever Road Travellers Site	2016/17	yes	30	300
2016/17	6	Finance: Insurance Premium Tax increase	2016/17	yes	12	120
Housing and Health Advisory Committee						
none						
Legal and Democratic Services Advisory Committee						
2016/17	7	Register of Electors: Individual Electoral Registration	2016/17	yes	40	400
Planning Advisory Committee						
none						
Policy and Performance Advisory Committee						
none						
Sub Total					170	1,700

Proposals not included on the attached 10-year budget						
SCIA Year	No.	Description	Year	Ongoing	Annual Impact £000	10-year Budget Impact £000
Savings						
Direct and Trading Advisory Committee						
2016/17	8	Playgrounds: Reduction in asset maintenance	2016/17	5 yrs	(7)	(35)
2016/17	9	Public Conveniences: Reduction in asset maintenance	2016/17	5 yrs	(8)	(40)
Economic and Community Development Advisory Committee						
2016/17	10	Youth: Reduction in contributions to projects	2016/17	yes	(10)	(100)
Finance Advisory Committee						
2016/17	11	Facilities Management: Reduction in utility costs	2016/17	yes	(15)	(150)
2016/17	12	Facilities Management: Reduction in maintenance and consumables cost	2016/17	yes	(66)	(660)
2016/17	13	Facilities Management: Increased print income	2016/17	yes	(10)	(100)
2016/17	14	Various partnerships: Revised split of costs	2016/17	yes	(70)	(700)
2016/17	15	Finance: Partnership work covered within existing resources	2016/17	yes	(72)	(720)
Housing and Health Advisory Committee						
2016/17	16	Housing Advice & Standards: Housing Register	2016/17	yes	(15)	(150)
2016/17	17	Disabled Facility Grants: Fee income	2016/17	yes	(20)	(200)
2016/17	18	Private Sector Lettings (PSL) scheme: reduced contribution	2016/17	yes	(5)	(50)
Legal and Democratic Services Advisory Committee						
none						
Planning Advisory Committee						
2016/17	19	Planning: Efficiency review	2016/17	yes	(20)	(200)
Policy and Performance Advisory Committee						
2016/17	20	Pay costs saving	2016/17	yes	(300)	(3,000)
Sub Total					(618)	(6,105)
Net Savings Total					(448)	(4,405)
Net Savings required in 10-Year Budget					(500)	
Remaining shortfall IF all of the above SCIA's are agreed					(52)	

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 4 (16/17)

Chief Officer:	Corporate Support	Service:	Facilities Management
Activity	Asset Maintenance – External	No. of Staff:	0.48 fte

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Loss of income for support of asset maintenance service for Tandridge District Council	13	Ongoing

Reasons for and explanation of proposed change in service

Since 2010 Sevenoaks District Council has provided a service to Tandridge District Council (TDC) to help them resolve asset maintenance issues and monitor maintenance budgets relating to Tandridge Leisure Centre. Income of £13,000 per annum was achieved for this service.

In April 2015 we received notification that there will be a significant reduction in budgets for the leisure centre. TDC then sent further notification expressing their gratitude for the service over the past 5 years, but informing us they are looking to deliver this service in-house to account for a reduction in funding. This has meant a decrease in income of £13,000 to the Council which is not sustainable and as such requires a growth item to rectify.

Key Stakeholders Affected

None

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

This is a direct reduction of £13,000 in income. Failure to approve this as a growth item will result in an unsustainable overspend of £13,000 within Facilities Management as income will not be achieved.

Risk to Service Objectives (High / Medium / Low)

Low

SERVICE CHANGE IMPACT ASSESSMENT

2015/16 Budget

	£'000
Operational Cost	101
Income	(137)
Net Cost	(36)

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 5 (16/17)

Chief Officer:	Corporate Support	Service:	Facilities Management
Activity	Asset Maintenance – Hever Road Travellers Site	No. of Staff:	0.73 fte

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Increased asset maintenance costs for the Hever Road Travellers site	30	Ongoing

Reasons for and explanation of proposed change in service

Current allocated budgets for maintenance of pitches, fire safety equipment and living modules is insufficient to meet the increased requirement for maintenance as the facility ages.

Having reviewed the asset maintenance plan for the site, a further £30,000 per annum is requested for the maintenance of the Hever Road Travellers Site in addition to the already allocated funding.

This additional funding will cover service contracts, annual maintenance and unplanned maintenance required at the site.

Key Stakeholders Affected

Residents of the Hever Road Travellers site

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

Failure to adequately maintain the Hever Road site on an ongoing basis will lead to elements of the site being deemed not fit for purpose and incur increased future costs.

Risk to Service Objectives (High / Medium / Low)

High

SERVICE CHANGE IMPACT ASSESSMENT

2015/16 Budget

	£'000
Operational Cost	12
Income	-
Net Cost	12

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 6 (16/17)

Chief Officer:	Chief Finance Officer	Service:	Finance
Activity	Insurance	No. of Staff:	n/a

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Insurance Premium Tax	12	ongoing

Reasons for and explanation of proposed change in service	From November 2015, the standard rate of Insurance Premium Tax will increase from 6% to 9.5%.
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Key Stakeholders Affected	None
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Likely impacts and implications of the change in service (include Risk Analysis)	It is essential that the Council has suitable insurance in place to reduce the financial risk when insurable events arise.
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Risk to Service Objectives (High / Medium / Low)	High
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2015/16 Budget	£'000
Operational Cost	369
Income	-
Net Cost	369

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 11 (16/17)

Chief Officer:	Corporate Support	Service:	Facilities Management
Activity	Support of Office Environment	No. of Staff:	n/a

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in utility costs	(15)	Ongoing

Reasons for and explanation of proposed change in service

The introduction of LED lighting across the Council Offices at Argyle Road has led to a reduction in electricity consumption. This has been supplemented by reviewing the operation of other plant across the building, introducing more energy efficient practices and reducing other utility costs.

Based on current figures and projected efficiencies a figure of £15,000 per year representing approximately a 15% saving on current costs can be achieved.

Key Stakeholders Affected

All occupants of the Argyle Road office

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

Likely impacts of this budget reduction are low. Energy is procured through a framework with stable pricing for a fixed period. Longer term increases in energy costs could present a risk if they are significant and it is not possible to be offset by other means.

Risk to Service Objectives (High / Medium / Low)

Low

2015/16 Budget

	£'000
Operational Cost	99
Income	-
Net Cost	99

SERVICE CHANGE IMPACT ASSESSMENT

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 12 (16/17)

Chief Officer:	Corporate Support	Service:	Facilities Management
Activity	Maintenance and Consumables	No. of Staff:	n/a

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in maintenance and consumable costs	(66)	Ongoing

Reasons for and explanation of proposed change in service	Having reviewed individual budget lines across all areas of Facilities Management and service office budgets, it is proposed that a collective reduction of £66,000 can be achieved through reducing expenditure on maintenance of plant and equipment; provision of stationery and paper; and other office expenditure.
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Key Stakeholders Affected	All occupants of the Argyle Road office
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Likely impacts and implications of the change in service (include Risk Analysis)	Likely impacts of this budget reduction are low. Future maintenance costs have been assessed and these are expected to fall within the revised budget level being proposed. Reductions in expenditure on consumables are being identified as more electronic processes and a reduction on the reliance of paper are being introduced.
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Risk to Service Objectives (High / Medium / Low)	Low
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2015/16 Budget	£'000
Operational Cost	296
Income	-
Net Cost	296

SERVICE CHANGE IMPACT ASSESSMENT

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 13 (16/17)

Chief Officer:	Jim Carrington-West	Service:	Facilities Management
Activity	Print Studio	No. of Staff:	1.88 fte

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Increased Print Income	(10)	Ongoing

Reasons for and explanation of proposed change in service	Based on an increasing drive to commercialise the Print Studio and increase income to the Council, coupled with a review of current and predicted performance it is felt that a further increase of £10,000 per annum income should be achievable.
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Key Stakeholders Affected	All Print Studio Customers
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Likely impacts and implications of the change in service (include Risk Analysis)	Likely impacts of this increase in income are low provided that the upward trend continues and work continues to come in to the Print Studio.
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Risk to Service Objectives (High / Medium / Low)	Low
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2015/16 Budget	£'000
Operational Cost	161
Income	(194)
Net Cost	(33)

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 14 (16/17)

Chief Officer:	Chief Finance Officer	Service:	Revenues, Benefits, Audit, Anti-Fraud, Environmental Health
Activity	Various Partnerships	No. of Staff:	59.26 fte

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Revised split of partnership costs	(70)	ongoing

Reasons for and explanation of proposed change in service

As part of the agreements with Dartford BC, cost sharing arrangements are reviewed annually and revised if there is a significant change in activity levels between the partners.

In recent years, activity levels in Benefits in particular have changed due to the demographic differences between the two authorities resulting in the number of benefit changes increasing at a greater rate in Dartford BC.

A saving for this was approved in 2015/16 for one year only, to see if the upturn in the economy materially affected the split. It is now expected that the split of workload will continue going forward.

Key Stakeholders Affected

Dartford BC

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

The implementation of Universal Credit in future years is likely to affect the Benefits workload and therefore the costs of the service. The saving also assumes that partnership arrangements remain in place.

Risk to Service Objectives (High / Medium / Low)

Low

SERVICE CHANGE IMPACT ASSESSMENT

2015/16 Budget

	£'000
Operational Cost*	2,546
Income	-
Net Cost	2,546

*SDC contribution to the partnership hub costs.

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 15 (16/17)

Chief Officer:	Chief Finance Officer	Service:	Finance
Activity	Finance	No. of Staff:	9.22 fte

Activity Budget Change	2016/17 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Partnership work covered within existing resources	(72)	ongoing

Reasons for and explanation of proposed change in service	When partnerships have started, budgets have been included to take account of additional work required from support services (Finance, IT, HR etc). These services have managed to deliver the extra work within existing resources.
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Key Stakeholders Affected	None
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Likely impacts and implications of the change in service (include Risk Analysis)	No impact assuming that workloads continue at current levels and partnership agreements remain in place.
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Risk to Service Objectives (High / Medium / Low)	Low
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2015/16 Budget	£'000
Operational Cost	405
Income	(76)
Net Cost	329

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

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Ten Year Budget - Revenue

	Budget 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	Plan 2024/25	Plan 2025/26
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	14,136	14,253	13,676	14,248	14,499	14,659	15,210	15,564	15,925	16,293	16,666
Inflation	473	569	506	622	446	638	454	461	468	473	478
Superannuation Fund deficit: actuarial increase	0	(721)	300	0	0	200	0	0	0	0	0
Net savings (approved in previous years)	(356)	(13)	(162)	(271)	(216)	(187)	0	0	0	0	0
New growth	0	88	28	0	30	0	0	0	0	0	0
New savings/Income	0	(500)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	14,253	13,676	14,248	14,499	14,659	15,210	15,564	15,925	16,293	16,666	17,044
Financing Sources											
Government Support											
: Revenue Support Grant	(1,516)	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	(1,818)	(2,247)	(1,348)	(1,348)	0	0	0	0	0	0	0
Council Tax	(9,298)	(9,597)	(9,905)	(10,221)	(10,546)	(10,879)	(11,222)	(11,574)	(11,935)	(12,307)	(12,688)
Locally Retained Business Rates	(1,934)	(1,973)	(2,012)	(2,052)	(2,093)	(2,135)	(2,178)	(2,222)	(2,266)	(2,311)	(2,357)
Interest Receipts	(301)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Property Investment Strategy Income	0	(500)	(500)	(700)	(700)	(700)	(700)	(700)	(800)	(800)	(800)
Contributions to/(from) Reserves	(233)	(233)	(353)	(353)	(353)	(353)	(353)	(179)	(179)	(635)	148
Total Financing	(15,100)	(14,800)	(14,368)	(14,924)	(13,942)	(14,317)	(14,703)	(14,925)	(15,430)	(16,303)	(15,947)
Budget Gap (surplus)/deficit	(847)	(1,124)	(120)	(425)	717	893	861	1,000	863	363	1,097
Contribution to/(from) Stabilisation Reserve	847	1,124	120	425	(717)	(893)	(861)	(1,000)	(863)	(363)	(1,097)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

Assumptions	
Revenue Support Grant:	-100% in 16/17
Locally Retained Business Rates:	2% all years
Council Tax:	2% in all years
Interest Receipts:	£250,000 16/17 onwards
Property Inv. Strat.:	£500,000 from 16/17, £700,000 from 18/19, £800,000 onwards
Pay award:	1% in 16/17 - 19/20, 2% later years
Other costs:	2.25% in all years
Income:	2.5% all years

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2016/17 Budget Setting Timetable

	Date	Committee
Stage 1		
Financial Prospects and Budget Strategy 2016/17 and Beyond	1 September	Finance AC
	17 September	Cabinet
↓		
Stage 2		
Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	22 September	Housing & Health AC
	24 September	Economic & Comm. Dev. AC
	6 October	Direct & Trading AC
	8 October	Legal & Dem. Svs AC
	13 October	Planning AC
	17 November	Finance AC
	26 November	Policy & Performance AC
↓		
Stage 3		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	3 December	Cabinet
↓		
Stage 4		
Budget Update (incl. Government Support information)	14 January	Cabinet
↓		
Stage 5		
Budget Update and further review of Service Change Impact Assessments (if required)	January - February	Advisory Committees
↓		
Stage 6		
Budget Setting Meeting (Recommendations to Council)	4 February	Cabinet
↓		
Stage 7		
Budget Setting Meeting (incl. Council Tax setting)	16 February	Council

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

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TREASURY MANAGEMENT MID-YEAR UPDATE

Finance Advisory Committee – 17 November 2015

Report of the:	Chief Finance Officer
Status:	For Consideration
Also considered by:	Cabinet – 3 December 2015
Key Decision:	No

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

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

Portfolio Holder Cllr. Searles

Contact Officer Roy Parsons, Principal Accountant - Ext 7204

Recommendation to Finance Advisory Committee: That Cabinet be asked to approve the Treasury Management Mid-Year Update for 2015/16, including the changes to the credit methodology whereby viability, financial strength and support ratings will not be considered as key criteria in the choice of creditworthy investment counterparties.

Recommendation to Cabinet: That the Treasury Management Mid-Year Update for 2015/16 be approved, including the changes to the credit methodology whereby viability, financial strength and support ratings will not be considered as key criteria in the choice of creditworthy investment counterparties.

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

Background

- 1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual Treasury Management Strategy Statement, which includes the Annual Investment Strategy and Minimum Revenue Provision Policy, for the year ahead, a mid-year review report and an annual report covering activities during the previous year.
- 2 During 2015/16 the minimum reporting requirements are that the Council should receive the following reports:

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- an annual treasury strategy in advance of the year (Council 17/2/2015).
 - a mid year treasury update report (this report).
 - an annual report following the year describing the activity compared to the strategy.
- 3 In addition, monthly reports from our treasury management advisors, Capita Asset Services, are emailed to Members of the Finance Advisory Committee.

Introduction

- 4 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 5 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 6 Accordingly, treasury management is defined as:
- “The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 7 This mid-year update report, prepared in compliance with CIPFA's Code of Practice on Treasury Management, covers:
- (a) Changes in credit rating methodology;
 - (b) an economic update for the 2015/16 financial year to 30 September 2015;
 - (c) interest rate forecasts;
 - (d) a review of the Treasury Management Strategy Statement and Annual Investment Strategy; and
 - (e) a review of the Council's investment portfolio for 2015/16.

Changes in credit rating methodology

- 8 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis that occurred in 2008, provided some institutions with

a ratings “uplift” due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these “uplifts” with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have “netted” each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody’s) Financial Strength rating withdrawn by the agency.

- 9 In keeping with the agencies’ new methodologies, the credit element of our treasury advisor’s credit assessment process now focuses solely on the Short and Long Term ratings of an institution. Whilst this is the same process that has always been used by Standard & Poor’s, this has been a change to the use of Fitch and Moody’s ratings. It is important to stress that the other key elements to their process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 10 The evolving regulatory environment, in tandem with the rating agencies’ new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Whereas through the crisis, councils typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. Whilst this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA-. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.
- 11 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

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Economic Update

United Kingdom

- 12 UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the May Budget.
- 13 Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth. However, since the report was issued, the Purchasing Manager's Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August.
- 14 The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
- 15 Therefore, there are considerable risks around whether inflation will rise in the near future as strongly as had previously been expected. This will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently. This is especially so given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.

United States

- 16 The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015. While there had been confident expectations during the summer that the Federal Reserve could start increasing rates at its meeting on 17 September, or if not by

the end of 2015, the recent downbeat news about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Federal Reserve’s decision to pull back from making that start. The non-farm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to weaken. This has pushed back expectations of a first rate increase from 2015 into 2016.

Eurozone

- 17 In the Eurozone, the European Central Bank (ECB) fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing (QE) to buy up high credit quality government and other debt of selected Eurozone (EZ) countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Interest Rate Forecasts

- 18 The Council’s treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB rate	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
10yr PWLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
50yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

- 19 Capita Asset Services undertook its last review of interest rate forecasts on 11 August shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused Public Works Loan Board (PWLB) rates to fall below the above forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity

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prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

- 20 Despite market turbulence since late August causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.
- 21 The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.
- 22 The disappointing US non-farm payrolls figures and UK PMI services figures at the beginning of October have served to reinforce a trend of increasing concerns that growth is likely to be significantly weaker than had previously been expected. This, therefore, has markedly increased concerns, both in the US and UK, that growth is only being achieved by monetary policy being highly aggressive with central rates at near zero and huge QE in place. In turn, this is also causing an increasing debate as to how realistic it will be for central banks to start on reversing such aggressive monetary policy until such time as strong growth rates are more firmly established and confidence increases that inflation is going to get back to around 2% within a 2-3 year time horizon. Market expectations in October for the first Bank Rate increase have therefore shifted back sharply into the second half of 2016.
- 23 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:-
 - Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
 - UK economic growth turns significantly weaker than we currently anticipate.
 - Weak growth or recession in the UK's main trading partners - the EU, US and China.
 - A resurgence of the EZ sovereign debt crisis.
 - Recapitalisation of European banks requiring more government financial support.
 - Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Federal Reserve rate increases, causing a flight to safe havens
- 24 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Treasury Management Strategy and Annual Investment Strategy update

- 25 The Treasury Management Strategy Statement (TMSS) and Prudential Indicators for 2015/16 were approved by the Council on 17 February 2015. There are no policy changes to the TMSS thus far and the details in this report merely update the position in the light of updated economic data.
- 26 As far as the Council's Prudential Indicators are concerned, three indicators relating to borrowing were reviewed by Cabinet on 16 July 2015 and approved by the Council on 21 July 2015 as a consequence of expanding the Property Investment Strategy. The indicators relating to the Operational Boundary and the Authorised Limit For External Debt were amended, whilst the indicator relating to Treasury Management Limits On Activity was left unchanged for the time being. Other indicators relating to the Council's borrowing need (the Capital Financing Requirement or 'CFR') and the Council's minimum revenue provision (MRP) strategy were highlighted for potential changes once a requirement to borrow had been identified.

Investment Portfolio 2015/16

- 27 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As described above, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.
- 28 The Council held £40.719m of investments as at 30 September 2015 (£37.801m at 31 March 2015) and the investment portfolio yield for the first six months of the year is 0.66% against 7 Day and 3 Month LIBID benchmarks of 0.35% and 0.43% respectively. A full list of investments held as at 30 September 2015 appears in the Appendix.
- 29 The approved limits within the Annual Investment Strategy were breached twice during the first six months of 2015/16. At the close of business on 8 May 2015, the balance held in the Business Premium Account at Barclays reached £5.3m,

Agenda Item 8

which, together with £2m of fixed deposits, exceeded the £7m limit we had set. At the close of business on 15 September 2015, the balance held in Business Premium Account at Barclays reached £6.1m, which, together with £3m of fixed deposits, again exceeded the £7m limit. Both breaches occurred when treasury management staff were absent and both were corrected on the following day.

- 30 The Council's budgeted investment return for 2015/16 is £328k and performance for the year to date is £20k below budget. At this stage, the year-end forecast is expected to remain in the region of £20k below budget.

Key Implications

Financial

- 31 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

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

Equality Assessment

- 36 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

- 37 The overall return on the Council's investments up to the end of September 2015 is £20k below budget and is forecast to remain at that level by the end of the financial year.
- 38 The percentage yield on the portfolio is 0.66%, which exceeds the recognised benchmarks.

- 39 The economic situation both globally and within the Eurozone remains volatile, and this will have consequences for the UK economy. Treasury management in the current and recent financial years has been conducted against this background and with a cautious investment approach.

Appendices: Investment Portfolio at 30 September 2015

Background Papers: [Treasury Management Strategy for 2015/16 - Council 17 February 2015](#)

[Property Investment Strategy – Council 21 July 2015](#)

Adrian Rowbotham
Chief Finance Officer

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SEVENOAKS DISTRICT COUNCIL

List of Investments as at:- 30-Sep-15

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			0.40000%	Variable	Direct
	Santander UK plc (Money Market A/C)	A	U.K.	Santander	0	09-Oct-06			0.40000%	Variable	Direct
	Clydesdale Bank plc (Base Tracker Plus - 15 Day)	A	U.K.	NAB	0	10-Sep-10			0.30000%	Variable	Direct
	Barclays Bank plc (Business Premium A/C)	A	U.K.		1,719,000	01-Oct-11			0.35000%	Variable	Direct
	Barclays Bank plc (Flexible IBCA)	A	U.K.		0	01-Jun-14			0.45000%	Variable	Direct
	National Westminster Bank plc (Liquidity Select)	A	U.K.	RBS	1,000,000	07-Oct-11			0.25000%	Variable	Direct
	National Westminster Bank plc (95 Day Notice)	A	U.K.	RBS	0	24-May-13			0.35000%	Variable	Direct
	Svenska Handelsbanken AB (Deposit A/C)	AA-	Sweden		3,000,000	23-Jul-14			0.40000%	Variable	Direct
	Standard Life Liquidity Fund (Money Market Fund)	AAA	U.K.		5,000,000	11-May-12				Variable	Direct
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		1,000,000	11-May-12				Variable	Direct
IP1227	Bank of Scotland plc	A	U.K.	Lloyds/HBOS	1,000,000	10-Feb-15	1.00000%	09-Feb-16		1 Year	Direct
IP1229	Bank of Scotland plc	A	U.K.	Lloyds/HBOS	1,000,000	20-Feb-15	1.00000%	19-Feb-16		1 Year	Direct
IP1259	Barclays Bank plc	A	U.K.		3,000,000	08-Sep-15	0.66000%	08-Mar-16		6 Months	Direct
IP1250	Coventry Building Society	A	U.K.		1,000,000	15-Jul-15	0.60000%	15-Jan-16		6 Months	R P Martin
IP1256	Coventry Building Society	A	U.K.		1,000,000	17-Aug-15	0.45000%	17-Nov-15		3 Months	Tradition
IP1258	Coventry Building Society	A	U.K.		1,000,000	28-Aug-15	0.60000%	29-Feb-16		6 Months	Tradition
IP1191	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	2,000,000	07-Oct-14	1.00000%	06-Oct-15		1 Year	Direct
IP1198	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	03-Nov-14	1.00000%	02-Nov-15		1 Year	Direct
IP1204	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	28-Nov-14	1.00000%	27-Nov-15		1 Year	Direct
IP1234	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	07-Apr-15	1.00000%	05-Apr-16		1 Year	Direct
IP1240	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	28-Apr-15	1.00000%	26-Apr-16		1 Year	Direct
IP1241	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	05-May-15	1.00000%	04-May-16		1 Year	Direct
IP1246	Lloyds Bank plc	A	U.K.	Lloyds/HBOS	1,000,000	03-Jul-15	0.70000%	04-Jan-16		6 Months	Direct
IP1247	Nationwide Building Society	A	U.K.		1,000,000	09-Jul-15	0.66000%	11-Jan-16		6 Months	Tradition
IP1254	Nationwide Building Society	A	U.K.		1,000,000	06-Aug-15	0.66000%	08-Feb-16		6 Months	Tradition
IP1257	Nationwide Building Society	A	U.K.		1,000,000	28-Aug-15	0.66000%	29-Feb-16		6 Months	R P Martin
IP1261	Nationwide Building Society	A	U.K.		2,000,000	23-Sep-15	0.66000%	23-Mar-16		6 Months	Tradition
IP1232	Royal Bank of Scotland plc	A-	U.K.	RBS	3,000,000	15-Apr-15	1.00000%	18-Apr-17	1.21000%	2 Years	R P Martin
IP1251	Skipton Building Society	BBB	U.K.		1,000,000	22-Jul-15	0.43000%	22-Oct-15		3 Months	R P Martin
IP1249	Yorkshire Building Society	A-	U.K.		1,000,000	15-Jul-15	0.47000%	15-Oct-15		3 Months	R P Martin
IP1252	Yorkshire Building Society	A-	U.K.		1,000,000	22-Jul-15	0.47000%	22-Oct-15		3 Months	R P Martin
IP1253	Yorkshire Building Society	A-	U.K.		1,000,000	28-Jul-15	0.47000%	28-Oct-15		3 Months	R P Martin
IP1255	Yorkshire Building Society	A-	U.K.		1,000,000	17-Aug-15	0.47000%	17-Nov-15		3 Months	Tradition
	Total Invested				40,719,000						
	Other Loan										
	Sevenoaks Leisure Limited				250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct

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FINANCIAL PERFORMANCE INDICATORS 2015/16 – TO THE END OF SEPTEMBER 2015

Finance Advisory Committee – 17 November 2015

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

Portfolio Holder Cllr Searles

Contact Officer(s) Helen Martin Ext. 7483

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

Reason for recommendation: This recommendation supports the sound control of the Councils finances.

Introduction and Background

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

Key Implications

Financial

There are no financial implications arising from this report

Legal Implications and Risk Assessment Statement.

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

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Agenda Item 9

Appendices

Appendix A – Performance Indicators – September 2015

Background Papers:

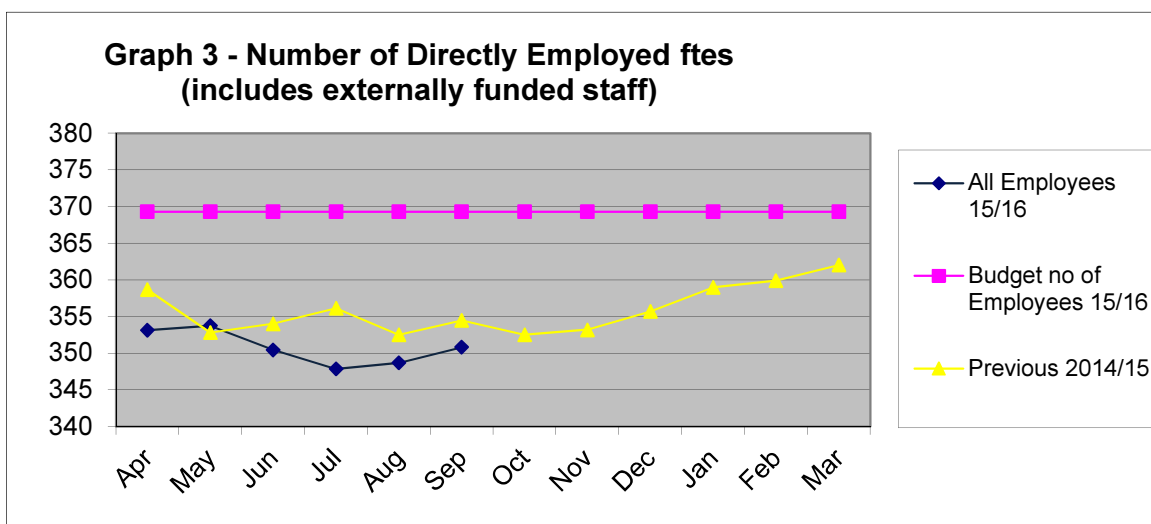
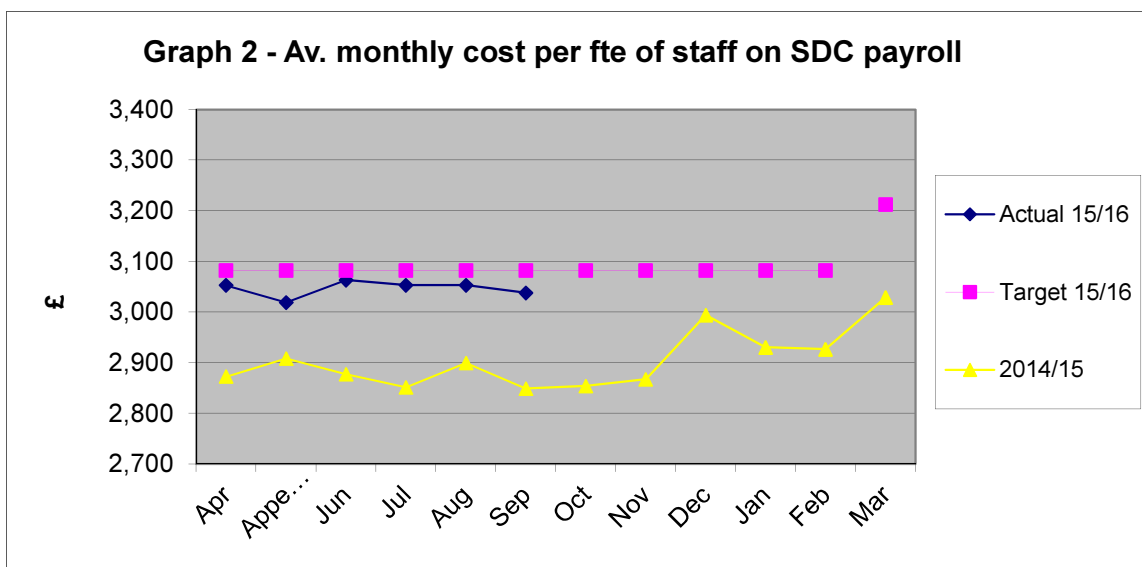
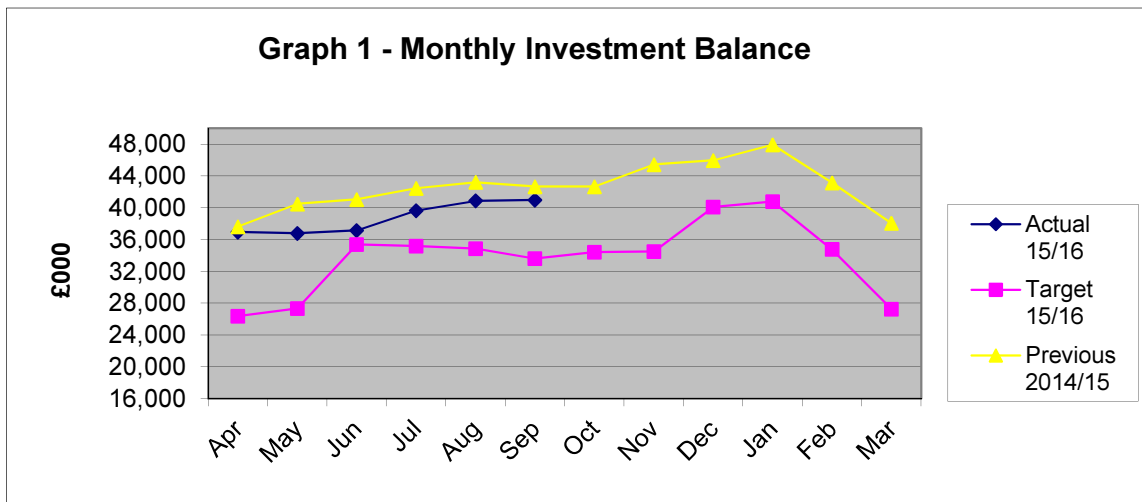
None

**Adrian Rowbotham
Chief Finance Officer**

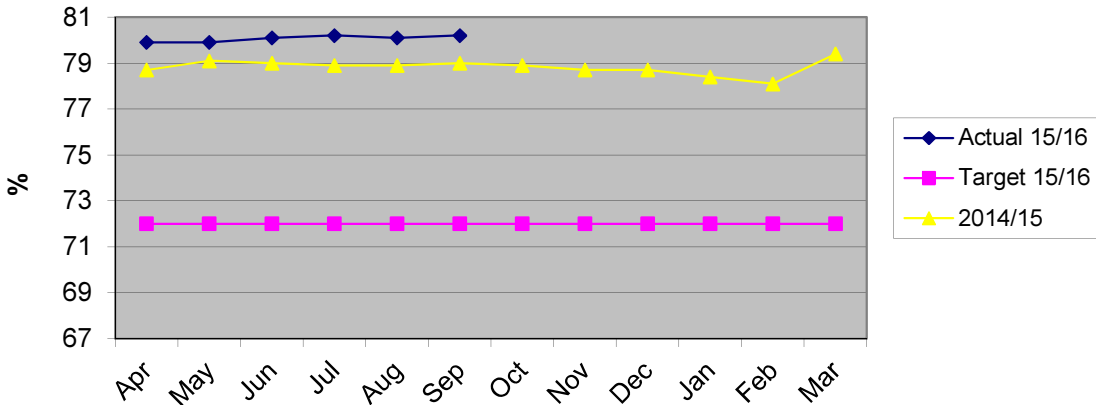
**Finance Advisory Committee Finance Indicators 2015/16
as at end September 2015**

Description	target	actual	Variance		notes	graph
				%		
Monthly investment balance £000	27,238	40,969	13,731	50.4%	Total investments at month end. Since April 2013, precepts are paid in 12 instalments of roughly £5m. (Previous years we paid in 10 instalments - not June or December). The target figures have been updated to reflect the Balance Sheet position as at 31/03/15.	1
Average monthly cost per employee £	3,093	3,047	-46	-1.5%	Target is annual pay budget divided by budget ftes.	2
Average monthly salary cost SDC £'000	1,138	1,073	-65	-5.7%	The average monthly salary cost (ie employees on SDC payroll) is below budget as a consequence of vacant posts	
Number of employees (full time equivalent)	369.3	350.8	-18.5	-5.0%	Target is budgeted ftes. Some posts are temporarily vacant to meet the requirement for the vacancy budget; some covered by agency staff and others vacant pending recruitment.	3
Council Tax % collected for 2015/16	58.7	58.7	0.0	0.0%	LPIFS 19. Monthly cumulative figures	-
NNDR % collected for 2015/16	57.2	57.3	0.1	0.2%	LPIFS 20. Monthly cumulative figures.	-
Council Tax payers % on direct debit	72.0	80.2	8.2	11.4%	LPIFS 8 - % on direct debit	4
Investment return %	0.80	0.66	-0.14	-17.9%	Cumulative return on investments. Target is budget assumption	5
3 month LIBID		0.43				
7 day LIBID		0.35				
Sundry debtors: debts over 21 days £000	35	29	-6	-16.7%	21 days is taken as the base as the first reminder is issued after 3 wks.	6
Sundry debtors: debts over 61 days £000	20	28	8	38.0%	61 days is when the third reminder is issued (debts exclude items on 'indefinite hold', e.g. debtors in administration) At the end of September there were a small number of larger debts that officers were chasing with other local authorities.	7

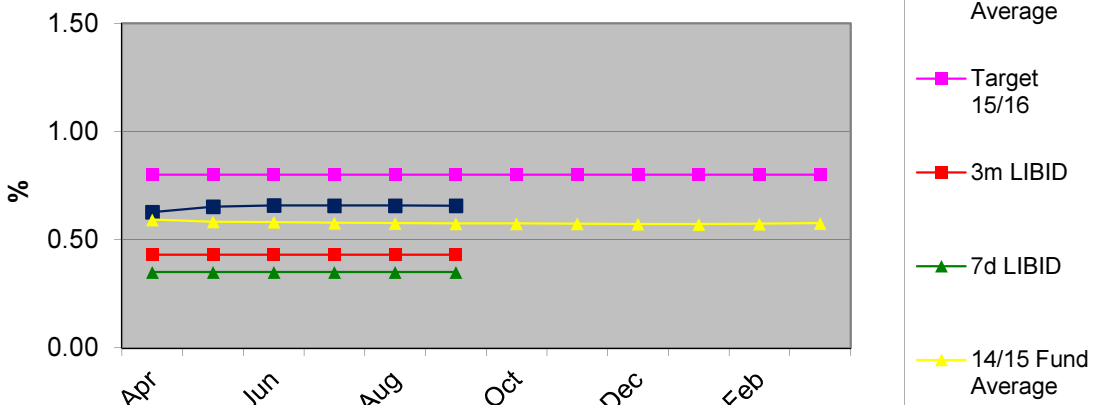
**Finance Advisory Committee Finance Indicators 2015/16
as at end September 2015**

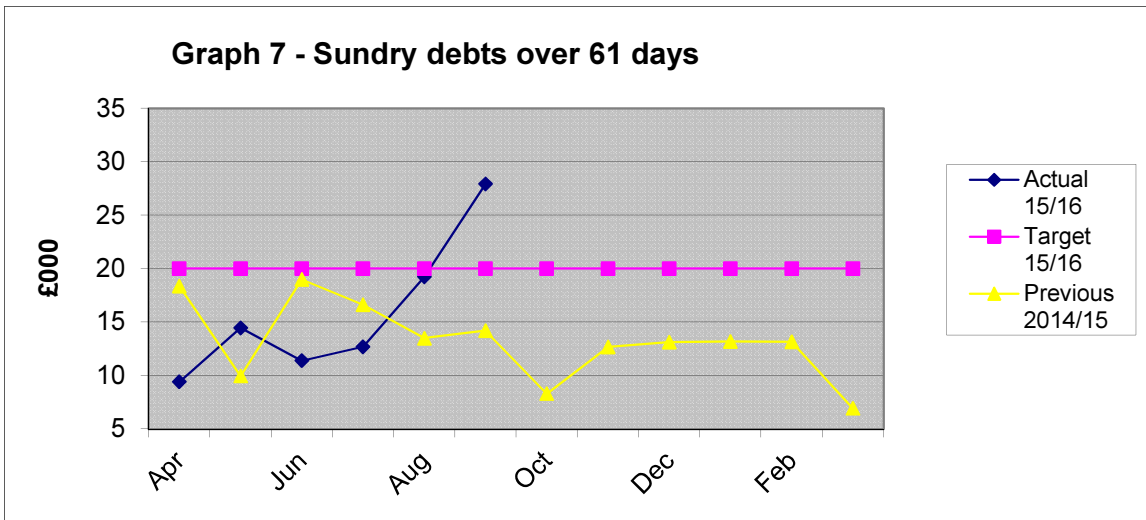
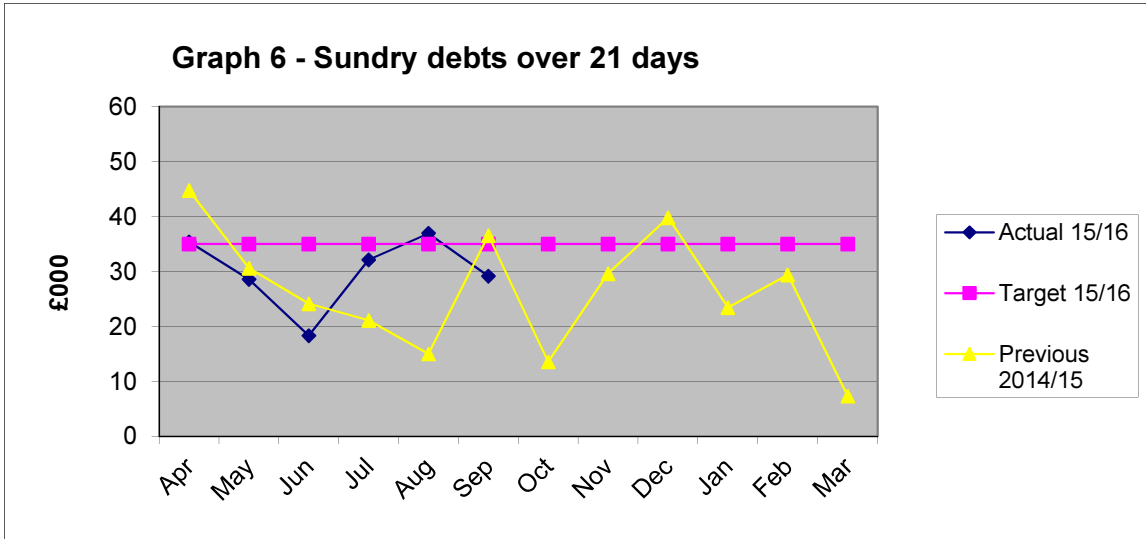


Graph 4 - Council Tax % on direct debit



Graph 5 - Investment Return %





FINANCIAL RESULTS 2015/16 – to the end of September 2015

Finance Advisory Committee – 17 November 2015

Report of Chief Finance Officer

Status: For consideration

Also considered by: Cabinet – 3 December 2015

Key Decision: No

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

Portfolio Holder Cllr. Searles

Contact Officer(s) Helen Martin Ext. 7483

Recommendation to Finance Advisory Committee: That the report be noted, and any comments forwarded to Cabinet.

Recommendation to Cabinet: Cabinet considers any comments from Finance Advisory Committee and notes the report

Reason for recommendation: sound financial governance of the Council.

Overall Financial Position

- 1 Six months into the year the results to date show an overall favourable variance of £12,000.
- 2 The year-end position is forecast to be £159,000 worse than budget; just over 1.0% of the net budget for the year.
- 3 Both the results to date and forecasts include any significant accruals.

Key Issues for the year to date

- 4 **Property Investment Strategy Income** – this is a new income source and represents income derived from the recent acquisitions of commercial property. As at the end of September we had received £270,000 and this will be transferred to the Budget Stabilisation Reserve.
- 5 **Revenues and Benefits Partnership** - Within Finance, additional resources have been used to help address the Benefits workload and to be proactive in contacting Council Tax Support customers. The funding of this additional cost will be shared with Dartford BC with the SDC element funded from the agreed carry forward and

Agenda Item 10

contributions from KCC, Fire and Police.

- 6 **Income** from On Street parking, Land Charges and Development Management is ahead of budget at the end of September. Other major income sources are currently below profiled budgets.
- 7 **Pay costs** – the actual expenditure to date on salaried staff (excluding those who are externally funded) is, in total, within £12,000 of budget. There are variances in individual areas and the larger variances are explained in the Chief Officer commentaries.
- 8 **Corporate Savings** – there is a budget of £100,000 from vacancy savings and these savings are currently £20,000 ahead of schedule at the end of September.

Year End Forecast

- 9 The year-end position is forecast to be £159,000 worse than budget.
- 10 Forecast net income of £383,000 from commercial letting of the recent Property Investment Strategy acquisitions is excluded from the forecast as it will be transferred to the Budget Stabilisation Reserve.

Unforeseen pressures on 2015-16 Budget

- 11 Costs have been incurred at Farningham Woods for emergency felling of coppices and standard trees to try to contain the infestation of Oriental Chestnut Gall Wasp under instruction from DEFRA/Forestry Commission. There is a forecast of £40,000 for this work, though it is expected that there will be some income from timber sales to offset this.
- 12 Work on the Individual Electoral Registration Canvass is forecast to exceed budget by £56,000; the cost of the additional work is forecast to be greater than the amount of central government funding that we have received.
- 13 Tandridge District Council has terminated the agreement whereby Sevenoaks staff managed asset maintenance work and this has resulted in lost income of £10,000.
- 14 Asset Maintenance work at Hever Road site is forecast to exceed budget by £23,000. A SCIA growth item has been proposed in respect of future maintenance at this site.

Other forecasts for 2015-16

- 15 Budgeted income of £36,000 from a Building Control shared management arrangement with Tonbridge and Malling Council will not be received this year as full shared working commenced in October 2014.

- 16 Income from sale of recycled glass is forecast to be £40,000 below budget for the year following adverse market fluctuations in the price of cullet.
- 17 Within Finance, support work to non-finance partnerships is mainly contained within existing resources and this gives rise to a favourable forecast of £28,000
- 18 Development Management Income is forecast to be better than budget due to a small number of high fee applications.
- 19 The budgeted surplus for the Direct Services Trading account has increased by £20,000 following a reallocation of savings required by SCIA21 (Back Office Savings).
- 20 An ongoing vacancy in Planning Enforcement will result in a forecast favourable variance of £29,000.

Future Issues and Risk areas

- 21 Chief Officers have considered the future issues and risk areas for their services and the impacts these may have on the Council's finances as follows:
 - Asset Maintenance costs, including those for leisure centres, may increase, costs have already exceeded the original budget at the Hever Road site;
 - Universal Credit started in October 2015;
 - Benefit Fraud will move to the DCLG in February 2016. It is the intention to have a corporate fraud function after that date;
 - There remains the risk that planning decisions will be challenged, either at appeal or through the Courts.
- 22 Planned savings for 2015/16 total £533,000, including efficiency savings, particularly from partnership working, and from additional income generation and these will be risk areas for the current and for future years.
- 23 We have just commenced working with a new software package which will enable us to make a more rigorous assessment of the outstanding business rate appeals. It should be noted that income from retained business rates may increase, as this Council is entitled to retain 50% of extra income arising from increases in the business rate tax base, however this figure will be affected by results of outstanding appeals.
- 24 Grant funding to local government has been reducing and this is a non-protected area and must be considered vulnerable in the future. Further information about government plans for future funding is expected to be announced in the Comprehensive Spending Review in November.
- 25 Chief Officers have been tasked by the Chief Executive to identify ways in which the forecast overspend can be addressed including bringing forward some of the

Agenda Item 10

savings proposed for 2016/17 to mitigate the impact of the unforeseen items that have arisen in the current financial year.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement.

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

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

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices

Appendix – September Budget Monitoring -
Summary

Background Papers:

None

Adrian Rowbotham
Chief Finance Officer

Budget Monitoring Sheets for September 2015

Contents

- 1 Commentaries
- 2 Overall Summary
- 3 Overall Summary by Service
- 4 Cumulative Salary Monitoring
- 5 Direct Services Trading accounts
- 6 Investment Income
- 7 Staffing Statistics
- 8 Reserves
- 9 Capital
- 10 Income Graphs

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BUDGET MONITORING - Strategic Commentary - As at 30 September 2015**Overall Financial Position**

1. Six months into the year the results to date show an overall favourable variance of £12,000.
2. The year-end position is forecast to be £159,000 worse than budget; just over 1.0% of the net budget for the year.
3. Both the results to date and forecasts include any significant accruals.

Key Issues for the year to date

4. Property Investment Strategy Income – this is a new income source and represents income derived from the recent acquisitions of commercial property. As at the end of September we had received £270,000 and this will be transferred to the Budget Stabilisation Reserve.
5. Revenues and Benefits Partnership – Within Finance, additional resources have been used to help address the Benefits workload and to be proactive in contacting Council Tax Support customers. The funding of this additional cost will be shared with Dartford BC with the SDC element funded from the agreed carry forward and contributions from KCC, Fire and Police.
6. Income from On Street parking, Land Charges and Development Management is ahead of budget at the end of September.
7. Pay costs – the actual expenditure to date on staff costs, (including agency staff but excluding those who are externally funded) is, in total, within £12,000 of budget. There are variances in individual areas and the larger variances are explained in the Chief Officer commentaries.
8. Corporate Savings – there is a budget of £100,000 from vacancy savings and these savings are currently £20,000 ahead of schedule.

Year End Forecast

The year-end position is forecast to be £159,000 worse than budget.

Property Investment Strategy

9. Forecast net income of £383,000 from commercial letting of the recent Property Investment Strategy acquisitions is excluded from the forecast as it will be transferred to the Budget Stabilisation Reserve.

Unforeseen pressures on 2015-16 Budget

10. Costs have been incurred at Farningham Woods for emergency felling of coppices and standard trees to try to contain the infestation of Oriental Chestnut Gall Wasp under instruction from DEFRA/Forestry Commission. There is a forecast of £40,000 for this work. It is expected that there will be some income from timber sales to offset this.
11. Work on the Individual Electoral Registration Canvass is forecast to exceed budget by £56,000; the cost of the additional work is forecast to be greater than the amount of central government funding that we have received.
12. Tandridge District Council has terminated the agreement whereby Sevenoaks staff managed asset maintenance work and this has resulted in lost income of £10,000.

Other forecasts for 2015-16

13. Asset Maintenance work at Hever Road site is forecast to exceed budget by £23,000.
14. Budgeted income of £36,000 from a Building Control shared management arrangement with Tonbridge and Malling Council will not be received this year as full shared working commenced in October 2014.
15. The adverse variance of £30,000 for car parks relates to the rent for the leased area of Bligh's car park.
16. Income from sale of recycled glass is forecast to be £40,000 below budget following adverse market fluctuations in the price of cullet.
17. Within Finance, support work to non-finance partnerships is mainly contained within existing resources and this gives rise to a favourable forecast of £28,000.
18. Development Management income is forecast to be £45,000 better than budget due to a small number of high fee applications.
19. The budgeted surplus for the Direct Services Trading account increased by £20,000 following a reallocation of savings required by SCIA21 (Back Office Savings).
20. An ongoing vacancy in Planning Enforcement will result in a forecast favourable variance of £29,000.

Future Issues and Risk areas

21. Chief Officers have considered the future issues and risk areas for their services and the impacts these may have on the Council's finances as follows:

- Asset Maintenance costs, including those for leisure centres, may increase, costs have exceeded the original budget at the Hever Road site;
- Universal Credit will impact on this council from October 2015;
- Benefit Fraud will move to the DCLG in February 2016. It is the intention to have a corporate fraud function after that date;
- There remains the risk that planning decisions will be challenged, either at appeal or through the Courts.

22. Planned savings for 2015/16 total £533,000, including efficiency savings, particularly from partnership working, and from additional income generation and these will be risk areas for the current and for future years.

23. We have just commenced working with a new software package which will enable us to make a more rigorous assessment of the outstanding business rate appeals. It should be noted that income from retained business rates may increase as this Council is entitled to retain 50% of extra income arising from increases in the business rate tax base, however this figure will be affected by results of outstanding appeals.

24. Grant funding to local government has been reducing and this is a non-protected area and must be considered vulnerable in the future. Further information about government plans for future funding is expected to be announced in the Comprehensive Spending Review in November.

Contacts:

Pav Ramewal	Chief Executive	Ext 7298
Adrian Rowbotham	Chief Finance Officer	Ext 7153
Helen Martin	Head of Finance	Ext 7483

Communities and Business – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Economic Development Property	22		We will be recruiting the remainder of the Property and Economic Development team (project manager plus two graduate trainees) to complete the agreed restructure and will reassess the salaries budget once that is complete. The overspend on the services budget is due to property acquisition and disposal costs and is within the total sum agreed by Members. Approved sums for property acquisition and disposals are not added to the revenue budget - hence the overspend is currently showing on this line, more than offset by an underspend on staffing costs.
Leisure Contract	11		The leisure strategy is currently being commissioned.
Choosing Health WK PCT	-13		This is external funding received in advance. The budget will be zero at the year end.
Community Sports Activation Fund	14		This is external funding received in advance. The budget will be zero at the year end.
West Kent Partnership Business Support	42		This is external funding received in advance for business support across West Kent. The budget will be zero at the year end.
Salaries	51		This relates primarily to the Economic Development & Property Team. Two posts have recently been filled and the final post is currently going out to advert. This will continue to be closely monitored and a change to the end of year forecast (underspend) may be necessary.
Capital – Big Community Fund	-10		These projects are funded from a revenue budget throughout the year and drawn down from an earmarked reserve at the year end. Although the Big Community Fund is no longer making grant approvals expenditure on some of the approved projects is yet to be drawn down by the successful applicants.

Future Issues/Risk Areas

Income from the Property Investment Strategy is shown on the summary page of the monitoring pack.

Lesley Bowles, Chief Officer Communities and Business
October 2015

Corporate Support – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Asset Maintenance Hever Road	-43	-23	Current forecast due to increased asset maintenance costs. This area is currently under review. Current additional overspend due to be recovered from insurance claim.
Asset Maintenance IT	14		Spend as per IT Asset Maintenance plan.
Estates Management – Buildings	-13	-10	£13k unrecoverable income forecast due to termination of Asset Maintenance agreement by Tandridge District Council.
Support – General Admin	46		Current position reflects an overachievement in print income currently being monitored, plus MFD invoices not yet received or shown in these figures and MFD expenditure allocated to fleet replacement costs.
Salaries	54		Variance to date relates to vacancies/maternity leave which are in the process of being filled.

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Future Issues/Risk Areas

Costs for the maintenance of Hever Road in relation to allocated budget are currently under review.
Potential for asset maintenance costs on leisure centres to exceed current budget due to ageing assets.

**Chief Officer Corporate Support
October 2015**

Agenda Item 10

Environmental & Operational Services – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Asset Maintenance Car Parks	9	-15	Additional servicing works to be carried out.
Building Control	-50	-56	Fee income £24,000 below target. Budget contains £36,000 income from previous shared management arrangement with T&MBC which will not be realised as full shared working commenced in October 2014.
Car Parks	-20	-30	First half year's NNDR bills higher than profile. First quarter rent for new Bligh's car park paid. Overall, income just slightly below budget target.
Car Parking – On-street	46		Income £85,000 above budget target, partly offset by increased salary costs (Parking Engineer now full time) and loss of income from sharing previous Parking Engineer with T&MBC. Contribution to be made for construction of overflow car park at Darent, Westerham.
EH Commercial	12		£10,000 grant received for 'Better Business for All' Campaign. To be used for employment of contractors for volume food inspections.
EH Environmental Protection	-1	10	Expenditure incurred on air quality monitoring costs and lower than profiled income on polluting premises registration.
Estates Management – Grounds	-23	-25	Essential tree maintenance work on ex-housing estate land.
Kent Resource Partnership	15		Income received for project work ahead of expenditure.
Land Charges	12	10	Income £16,000 above budget target.
Parks & Recreation Grounds	0	-15	Anticipated maintenance works at Bradbourne Lakes.
Parks – Rural	-54	-40	Unbudgeted expenditure incurred at Farningham woods for coppicing woodland to try and contain infestation of Oriental Chestnut Gall Wasp under direction from DEFRA/Forestry Commission. Some income should be recovered by sale of felled timber. Further coppicing to be undertaken but costs covered by timber value.

ITEM 1

(6)

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Refuse Collection	-25	-40	Income from sale of glass for recycling £20,000 below profile, due to sharp fall in price paid for cullet. Price subject to market fluctuation.
Street Naming	10	10	Income above profile, expenditure below profile.
Support – Direct Services	12		Expenditure under profile on training, which will be delivered later in the year on manual handling and driver CPC training.
Salaries – Operational Services	18		Savings on salaries due to vacancies partly offset by expenditure on agency staff to maintain services. Reflected in Direct Services Trading Accounts.
Salaries – Parking & Amenity Services	-22		Posts of Parking Manager and Parking Engineer now filled. Parking Engineer now full time. Additional costs being met by on-street account positive income situation.
Capital – Vehicle Purchases	63		Full replacement programme will be completed within approved budget.
Direct Services – Refuse	69	13	Income £11,000 above profile mainly on paid bulky items. Expenditure £57,000 below profile. Savings on salaries only partly offset by agency staff, fuel and transport costs.
Direct Services – Street Cleaning	15	7	Expenditure £14,000 below profile. Savings on salaries and fuel costs.
Direct Services – Trade	-4	-11	Income above profile but offset by disposal charges and necessary use of agency staff.
Direct Services – Green Waste	-50	-9	Income forecast to be on target by year end but below profile due to changes in annual renewal of permits, so all renewals do not fall in same month. Expenditure higher than profile on agency and transport related costs.
Direct Services – Trading Account Overall	35	-5	Income £58,000 below profile (mainly green waste permits) but expenditure £93,000 below profile. Current surplus is £181,000 against a profiled surplus of £146,000.

Future Issues/Risk Areas

Unbudgeted - Expenditure being incurred at Farningham Woods to try to contain the Oriental Chestnut Gall Wasp. Working with the Forestry Commission. Emergency felling of coppices and standard trees, plus destruction of foliage required to attempt to contain these invasive pests.

Chief Officer Environmental & Operational Services

October 2015

Financial Services – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Admin Expenses – Chief Executive	12	10	Small underspends on several items including printing and training.
Dartford Partnership Hub (SDC Costs)	-181		Additional resources to help address the Benefits workload and to be proactive in contacting Council Tax Support customers. The funding of this additional cost will be shared with Dartford BC, with the SDC element funded from the agreed carry forward.
Local Tax	28	25	Variance relates to an increase in court costs recoveries.
Misc. Finance	-25	-9	Costs associated with development projects are included here.
Support – Finance Function	37	28	Work on non finance partnerships is mainly covered within original resources.
Salaries	-116	-275	Agency staff are being used to help address the Benefits workload and to be proactive in contacting Council Tax Support customers.

Agenda Item 10

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Future Issues/Risk Areas

Benefit Fraud will move to the DCLG in February 2016. It is the intention to have a corporate fraud function after this date.
Universal Credit will impact this Council from October 2015.

Chief Finance Officer
October 2015

Housing – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Housing Energy Retraining Options (HERO)	-19		This deficit will be met in part by a successful £5,000 bid and other external funding including some DCLG homeless funding. This service is not funded by Council budgets.
Salaries	-10		This overspend is mainly due to an agency member of staff covering a long term sickness and will end around middle of November. This variance should be managed over the year due to the profiling of existing budgets.
Salaries – Ext Funded	-2	-16	Primarily due to a part time officer working on the West Kent Leader project who is now paid via the housing budget. This expenditure will be recovered form DEFRA funding at the end of the year.
Capital - Improvement Grants	12		It is difficult to predict when works will be completed but bottom line is correct.
Capital – WKHA Adaps for Disabled	89		It is difficult to predict when works will be completed but bottom line is correct.
Capital - SDC / RHPCG	-29		Landlord Accreditation & Discretionary Grants are funded from recycled external funding.

Future Issues/Risk Areas

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Chief Housing Officer
October 2015

Legal & Governance – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Register of Electors	-5	-56	2015 sees the first ever Individual Electoral Registration Canvass. 100% of residential properties are to be targeted with a Household Enquiry Form. If there is a change within the household they must also complete an Invitation to Register Form. Additionally legislation requires a reminder form and a personal canvass for both types of forms if not returned. The grant received from Government does not cover such eventualities.
Salaries	-58		Additional resources to cover the increased workload as a result of the Individual Electoral Registration and the triple election process. We have been successful in obtaining £11k Government funding which help with some of the additional expenditure in relation to Individual Electoral Registration. In the Legal Department we have had to appoint a locum for an interim period.

Future Issues/Risk Areas

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Chief Officer Legal & Governance
October 2015

Planning Services – September 2015 Commentary

Service	Variance to date £'000 (Minus is bad news)	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Fort Halstead	16	16	This comes from a planning performance agreement that allowed us to recover the cost of managing the application and will fund the tasks transferred to others as a result of it.
Planning – Appeals	18	-16	The underspend is due to the fact that appeals to date this year have not required specialist input, however this is likely to change in the coming months as notice has been received of significant appeals in Edenbridge, Sevenoaks and Swanley.
Planning – Development Management	101	70	This continues to be the result of a small number of high fee applications, including for the proposal at Fort Halstead, plus a proportion of this favourable position is pay (see comments Salaries). Notably, fee income was below budget estimate for the month.
Planning – Enforcement	17	29	This is a result of a vacant administrative post.
Salaries	50	88	This underspend is a result of maternity leave, unsuccessful attempts to recruit and recruiting at lower grades.
Capital – Affordable Housing	-92		This will be financed at the end of the year from S106 planning obligations receipts. Payments include Contribution to Rural Housing Enabler, Housing Discretionary, Sevenoaks Almshouses, and Edenbridge Housing Needs Survey.
Capital – S106 Capital	-59		This will be financed at the end of the year from S106 planning obligations receipts. Current spend includes the agreement arising from the West Kent Cold Store development.

Future Issues/Risk Areas

There remains the risk that planning decisions will be challenged, either at appeal or through the Courts. Application fee income was below budget in September and continues to be closely monitored.

**Chief Planning Officer
October 2015**

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2. Overall Summary

September 2015

	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast (including Accruals)	Variance	Actual
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Communities and Business	96	82	14	15	642	560	82	13	1,054	1,054	-	839
Corporate Support	236	305	-69	-29	1,859	1,887	-28	-2	3,319	3,357	-38	3,247
Environmental and Operational Services	189	188	1	1	1,191	1,218	-27	-2	2,474	2,673	-199	2,536
Financial Services	446	429	17	4	2,158	2,289	-131	-6	5,091	5,040	51	4,847
Housing	66	67	-2	-3	483	509	-26	-5	730	730	-	725
Legal and Governance	41	49	-8	-18	358	361	-3	-1	634	685	-52	541
Planning Services	104	78	25	25	626	472	153	24	1,267	1,169	97	1,060
NET EXPENDITURE (1)	1,178	1,198	-20	-2	7,316	7,297	19	0	14,569	14,710	-141	13,795
<i>Adjustments to reconcile to amount to be met from Reserves</i>												
Direct Services Trading Accounts	-19	-35	16	84	-146	-181	35	24	-84	-79	-5	-192
Capital charges outside General Fund	-5	-5	-0	-0	-32	-31	-0	-0	-63	-63	-	-60
Support Services outside General Fund	-14	-14	0	1	-83	-84	1	1	-168	-168	-	-168
Redundancy Costs - all	-	24	-24	-	-	24	-24	-	-	-	-	31
NET EXPENDITURE (2)	1,140	1,168	-28	-2	7,056	7,025	31	0	14,254	14,400	-146	13,406
Revenue Support Grant (incl. CT Support)	-126	-126	-	0	-758	-758	-	0	-1,516	-1,516	-	-2,232
Retained Business Rates	-161	-161	-	0	-967	-967	-	0	-1,934	-1,934	-	-1,898
New Homes Bonus	-152	-152	-	0	-909	-909	-	0	-1,818	-1,825	7	-1,396
Council Tax Requirement - SDC	-775	-775	-	0	-4,649	-4,649	-	0	-9,298	-9,298	-	-9,010
Property Investment Strategy Income	-	-91	91	-	-	-270	270	-	-	-383	383	-
NET EXPENDITURE (3)	-74	-137	63	-86	-227	-529	302	-133	-312	-556	244	-1,129
<i>Summary including investment income</i>												
Net Expenditure	-74	-137	63	-86	-227	-529	302	-133	-312	-556	244	-1,129
Investment Impairment	-	-	-	0	-	-	-	0	-	-	-	-
Interest and Investment Income	-28	-25	-3	12	-158	-138	-20	-12	-301	-281	-20	-227
OVERALL TOTAL	-102	-161	60	59	-385	-667	282	-73	-614	-837	224	-1,357
Planned appropriation (from)/to Reserves	-	-	-	-	-	-	-	-	614	614	-	-
Additional Appropriation to Budget Stabilisation Reserve	-	-	-	-	-	270	-270	-	-	383	-383	-
(Surplus)/Deficit	-	-	-	-	-385	-396	12	-3	-	159	-159	-1,357

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

Appendix A

September 2015

Communities & Business

SDC Funded

	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast	Variance	Actual
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	(including Accruals)	£'000	£'000
Administrative Expenses - Communities & Business	1	0	1	76	7	4	3	49	14	14	-	-
All Weather Pitch	-0	-2	2	-	-1	-2	1	153	-2	-2	-	-
Community Development Service Provisions	-0	-	-0	-	-3	-4	2	74	-5	-5	-	-
Community Safety	13	13	-0	-2	85	76	9	10	173	173	-	183
Economic Development	13	8	5	38	33	37	-4	-12	49	49	-	79
Economic Development Property	27	18	8	31	160	138	22	14	242	242	-	-
Grants to Organisations	3	2	0	3	169	168	1	0	184	184	-	181
Health Improvements	3	1	2	73	17	14	3	18	34	34	-	45
Leisure Contract	12	10	2	15	113	102	11	10	227	227	-	207
Leisure Development	-	-	-	-	10	10	0	1	20	20	-	20
The Community Plan	4	4	-0	-2	24	24	-0	-0	49	49	-	46
Tourism	2	2	-1	-53	20	24	-5	-24	31	31	-	32
West Kent Partnership	3	1	2	58	-16	-18	2	10	-	-	-	-
Youth	3	1	2	70	19	15	3	18	38	38	-	47
Total Communities & Business (SDC Funded)	82	60	22	26	637	589	48	8	1,054	1,054	-	839

Externally Funded

Business Area Improvement Fund	-	-	-	-	-	1	-1	-	-	-	-	-
Choosing Health WK PCT	10	7	3	31	-4	9	-13	-345	-	-	-	-
Community Sports Activation Fund	1	5	-3	-265	8	-6	14	179	-	-	-	-
Dunton Green Project	-	3	-3	-	-	9	-9	-	-	-	-	-
Falls Prevention	-	0	-0	-	-	0	-0	-	-	-	-	-
New Ash Green	-	-	-	-	-	1	-1	-	-	-	-	-
Partnership - Home Office	3	3	-1	-18	1	1	0	9	-	-	-	-
PCT Health Checks	-	-	-	-	-	-0	0	-	-	-	-	-
PCT Initiatives	-	2	-2	-	-	0	-0	-	-	-	-	-
Repair & Renew Flood Support Scheme	-	-	-	-	-	-0	0	-	-	-	-	-
Troubled Families Project	-	-	-	-	-	-2	2	-	-	-	-	-
West Kent Partnership Business Support	-	1	-1	-	-	-42	42	-	-	-	-	-
Total Communities & Business (Ext Funded)	14	22	-7	-52	5	-28	33	649	-	-	-	-

Total Communities & Business

	96	82	14	15	642	560	82	13	1,054	1,054	-	839
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3. Net Service Expenditure for each Chief Officer -

September 2015	analysed by Budget area				Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Period	Period	Period	Period					Budget	Forecast	Variance	Actual
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	(including Accruals)	Variance	Actual
Corporate Support	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Administrative Expenses - Corporate Support	1	4	-3	-288	6	12	-7	-121	27	27	-	29
Administrative Expenses - Human Resources	1	1	0	12	7	8	-1	-22	14	14	-	14
Administrative Expenses - Property	0	0	0	-	2	2	0	19	4	4	-	2
Asset Maintenance Argyle Road	-	-	-	-	31	34	-2	-8	69	69	-	10
Asset Maintenance Hever Road	0	2	-1	-	3	46	-43	-1,547	6	29	-23	34
Asset Maintenance IT	21	3	18	87	126	112	14	11	263	263	-	260
Asset Maintenance Leisure	14	5	9	62	82	73	9	11	167	167	-	198
Asset Maintenance Other Corporate Properties	1	1	0	43	6	9	-3	-50	30	30	-	47
Asset Maintenance Sewage Treatment Plants	1	-	1	100	4	3	1	25	8	13	-5	39
Asset Maintenance Support & Salaries	10	6	4	40	45	45	0	1	92	92	-	88
Bus Station	1	0	1	65	7	8	-1	-11	15	13	2	16
Corporate Projects	-	-	-	-	-	4	-4	-	-	-	-	85
Estates Management - Buildings	-18	-15	-3	-15	-13	-0	-13	-99	-37	-26	-10	-74
Housing Premises	1	-3	4	617	-9	-2	-7	-74	-1	7	-7	-4
Support - Central Offices	13	18	-5	-37	344	347	-2	-1	430	421	9	493
Support - Central Offices - Facilities	20	25	-5	-23	121	127	-6	-5	247	251	-3	246
Support - Contact Centre	37	32	5	12	220	224	-3	-2	441	441	-	387
Support - General Admin	19	19	1	3	137	91	46	34	270	270	-	241
Support - Human Resources	21	23	-2	-8	127	132	-5	-4	272	272	-	271
Support - IT	88	182	-93	-105	573	571	2	0	906	906	-	765
Support - Local Offices	0	0	-0	-	20	23	-3	-14	56	56	-	61
Support - Nursery	-	-	-	-	-	1	-1	-	-	-	-	3
Support - Property Function	3	3	0	13	20	19	1	5	39	39	-	34
Total Corporate Support	236	305	-69	-29	1,859	1,887	-28	-2	3,319	3,357	-38	3,247

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

September 2015	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast (including Accruals)	Variance	Actual
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Environmental and Operational Services												
Administrative Expenses - Building Control	1	1	-0	-20	5	5	-1	-12	9	9	-	
Administrative Expenses - Direct Services	-	-0	0	-	-	0	-0	-	-	-	-	
Administrative Expenses - Health	2	0	2	78	13	3	9	73	26	26	-	1
Administrative Expenses - Transport	1	0	1	88	5	3	2	46	10	10	-	1
Air Quality (Ext Funded)	-	3	-3	-	-	3	-3	-	-	-	-	
Asset Maintenance Car Parks	2	-	2	100	9	-	9	100	19	34	-15	20
Asset Maintenance CCTV	1	2	-1	-56	8	4	5	56	16	16	-	15
Asset Maintenance Countryside	1	-	1	100	4	-	4	100	8	8	-	5
Asset Maintenance Direct Services	3	2	1	23	18	20	-1	-7	37	37	-	49
Asset Maintenance Playgrounds	1	1	0	19	7	1	6	87	14	14	-	1
Asset Maintenance Public Toilets	1	-	1	100	7	0	7	94	14	14	-	0
Building Control	-15	2	-17	-111	-89	-40	-50	-55	-159	-103	-56	-113
Building Control Discretionary Work	-1	-0	-0	-50	-4	0	-5	-105	-9	-9	-	3
Building Control Partnership Hub (SDC Costs)	-0	0	-0	-	-0	0	-0	-	-	-	-	-
Building Control Partnership Implementation & Project Costs	-	-	-	-	-	-6	6	-	-	-	-	-
Building Control Partnership Members	-	-	-	-	-	5	-5	-	-	-	-	-
Car Parks	-166	-164	-2	-1	-880	-860	-20	-2	-1,803	-1,773	-30	-1,658
Car Parking - On Street	-35	-56	21	58	-238	-283	46	19	-467	-467	-	-440
CCTV	13	9	3	25	142	141	0	0	238	238	-	260
Civil Protection	3	2	1	23	18	15	3	16	34	34	-	26
Dangerous Structures	1	1	0	24	5	4	1	24	10	10	-	19
Dartford Environmental Hub (SDC Costs)	-3	0	-4	-114	-7	0	-7	-107	-10	-10	-	-
EH Animal Control	1	2	-1	-76	8	6	2	21	1	1	-	24
EH Commercial	19	17	2	11	129	117	12	10	260	260	-	257
EH Environmental Protection	15	26	-11	-71	181	182	-1	-1	368	358	10	377
Emergency	5	5	0	7	32	30	2	5	64	64	-	61
Estates Management - Grounds	8	19	-11	-134	49	72	-23	-47	98	123	-25	125
Kent Resource Partnership	25	10	15	60	-145	-160	15	10	-	-	-	-
Land Charges	-6	-8	2	32	-34	-46	12	35	-98	-108	10	-116
Licensing Partnership Hub (Trading)	0	1	-1	-	0	3	-3	-	-	-	-	-
Licensing Partnership Members	-	-	-	-	-	0	-0	-	-	-	-	-
Licensing Regime	-8	-9	1	18	-3	-5	2	74	-0	-0	-	10
Markets	-20	-17	-3	-14	-93	-87	-6	-6	-190	-190	-	-183
Parks and Recreation Grounds	8	12	-3	-42	49	48	0	1	98	113	-15	118
Parks - Rural	9	9	-0	-6	52	106	-54	-105	103	143	-40	62
Public Conveniences	3	4	-1	-23	24	31	-6	-27	43	51	-8	56
Public Transport Support	0	-	0	-	0	-	0	-	0	0	-	-
Refuse Collection	216	218	-2	-1	1,255	1,280	-25	-2	2,415	2,455	-40	2,359

Street Cleansing	101	98	3	3	630	623	7	1	1,255	1,255	Appendix A -	1,235
Street Naming	1	- 0	1	102	7	- 3	10	138	15	5	10	5
Support - Direct Services	5	2	3	57	27	15	12	46	54	54	-	39
Support - Health and Safety	2	1	0	7	9	8	1	15	18	18	-	14
Taxis	- 4	- 7	3	84	- 10	- 18	8	81	- 18	- 18	-	- 26
Total Environmental and Operational Services	189	188	1	1	1,191	1,218	- 27	- 2	2,474	2,673	- 199	2,536

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

September 2015	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast (including Accruals)	Variance	Actual
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Financial Services												
Action and Development	1	-	1	100	3	2	1	45	7	7	-	
Administrative Expenses - Chief Executive	3	-3	6	205	17	5	12	69	36	26	10	1
Administrative Expenses - Financial Services	3	3	0	0	17	21	-5	-28	35	41	-6	3
Administrative Expenses - Transformation and Strategy	0	0	0	-	3	4	-1	-45	6	6	-	
Benefits Admin	0	0	0	-	-99	-95	-4	-4	794	800	-6	1,092
Benefits Grants	-33	-33	-0	-0	-297	-297	-0	-0	-659	-659	-	-659
Consultation and Surveys	-	-	-	-	-	-	-	-	4	4	-	
Corporate Management	83	71	12	14	449	448	1	0	1,080	1,080	-	863
Corporate Savings	2	-	2	100	2	-	2	100	-57	-57	-	-
Dartford Partnership Hub (SDC costs)	164	192	-28	-17	993	1,174	-181	-18	-	-	-	-552
Equalities Legislation	-	-	-	-	18	14	4	23	18	14	4	14
External Communications	14	15	-1	-8	68	63	4	6	150	150	-	174
Housing Advances	-	-	-	-	2	1	1	58	2	1	1	1
Local Tax	-29	-44	16	54	-363	-391	28	8	90	65	25	236
Members	44	34	10	22	211	203	7	4	418	413	5	377
Misc. Finance	143	138	4	3	857	882	-25	-3	2,410	2,419	-9	2,604
Performance Improvement	-	-	-	-	6	9	-3	-53	6	6	-	-20
Support - Audit Function	-	-	-	-	-24	-18	-6	-24	146	146	-	187
Support - Exchequer and Procurement	11	10	0	4	63	61	2	4	135	135	-	137
Support - Finance Function	18	11	7	38	107	70	37	35	213	185	28	150
Support - General Admin	12	14	-2	-13	72	76	-4	-5	145	145	-	175
Treasury Management	11	21	-9	-85	53	56	-3	-5	112	113	-2	121
Total Financial Services	446	429	17	4	2,158	2,289	-131	-6	5,091	5,040	51	4,847

3. Net Service Expenditure for each Chief Officer -

September 2015	analysed by Budget area				Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Period	Period	Period	Period					Budget	Forecast	Variance	Actual
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	(including Accruals)	Variance	Actual
<u>Housing</u>	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Administrative Expenses - Housing	1	3	-2	-131	9	10	-1	-12	18	18	-	12
Energy Efficiency	3	4	-1	-30	17	20	-3	-18	25	25	-	26
Gypsy Sites	2	0	2	85	-11	-4	-7	-65	-30	-30	-	-19
Homeless	7	7	-1	-12	39	43	-3	-8	79	79	-	94
Homelessness Funding	3	1	1	42	16	9	7	42	-	-	-	0
Homelessness Prevention	-	-	-	-	-	6	-6	-	-	-	-	4
Housing	28	26	2	6	279	276	3	1	438	438	-	437
Housing Initiatives	1	0	1	77	7	4	3	44	13	13	-	6
Housing Energy Retraining Options (HERO)	2	5	-3	-151	13	32	-19	-149	-	-	-	-
Leader Programme	1	1	0	4	5	5	0	1	10	10	-	10
Private Sector Housing	18	19	-0	-2	109	109	0	0	178	178	-	153
Total Housing	66	67	-2	-3	483	509	-26	-5	730	730	-	725

3. Net Service Expenditure for each Chief Officer -

analysed by Budget area

September 2015

Legal and Governance

	Period				Y-T-D				Annual Budget	Annual Forecast (including Accruals)	Annual Variance	2014/15 Actual
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance				
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Administrative Expenses - Legal and Governance	4	6	-3	-70	43	39	4	9	65	61	4	63
Civic Expenses	0	0	0	-	15	15	-1	-5	15	15	-	15
Democratic Services	11	13	-2	-20	71	72	-0	-1	139	139	-	112
Elections	-1	-1	0	5	79	79	0	0	73	73	-	5
Register of Electors	10	13	-3	-28	50	55	-5	-9	139	195	-56	13
Support - Legal Function	17	17	-0	-0	101	101	-0	-0	202	202	-	162
Total Legal and Governance	41	49	-8	-18	358	361	-3	-1	634	685	-52	541

3. Net Service Expenditure for each Chief Officer -

analysed by Budget area

September 2015

Planning Services

	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	2014/15
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast (including Accruals)	Variance	Actual
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000
Administrative Expenses - Planning Services	3	- 1	3	122	17	20	- 3	- 20	34	35	- 1	28
Conservation	4	4	- 0	- 3	21	22	- 1	- 4	44	44	-	40
Fort Halstead	-	- 12	12	-	-	- 16	16	-	-	- 16	16	- 22
LDF Expenditure	-	- 6	6	-	-	1	- 1	-	-	-	-	53
Planning - Appeals	16	12	3	21	96	78	18	19	193	209	- 16	180
Planning - CIL Administration	-	-	-	-	-	2	- 2	-	-	-	-	3
Planning - Counter	- 0	- 0	- 0	-	- 0	- 0	- 0	-	- 0	- 0	-	- 0
Planning - Development Management	31	34	- 3	- 8	195	94	101	52	334	264	70	71
Planning - Enforcement	23	20	3	13	138	121	17	12	277	248	29	249
Planning Policy	27	27	0	2	159	152	8	5	385	385	-	459
Total Planning Services	104	78	25	25	626	472	153	24	1,267	1,169	97	1,060

4. Cumulative Salary Monitoring

September 2015

	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	(including Accruals) £'000	£'000
Communities and Business	52	50	1	2	309	258	51	16	618	618	-
Corporate Support	156	154	2	1	962	908	54	6	1,930	1,930	-
Environmental & Operational Services:	426	413	12	3	2,540	2,538	2	0	5,110	5,110	-
- Building Control	36	37	-1	-2	217	219	-1	-1	434	434	-
- Environmental Health	48	50	-2	-4	300	293	7	2	604	604	-
- Licensing	24	24	0	1	144	145	-0	-0	289	289	-
- Operational Services	282	269	12	4	1,694	1,676	18	1	3,385	3,385	-
- Parking & Amenity Services	36	34	2	6	184	206	-22	-12	399	399	-
Financial Services	223	241	-18	-8	1,337	1,453	-116	-9	2,678	2,952	-275
Housing	50	51	-0	-1	301	311	-10	-3	603	603	-
Legal & Governance	48	56	-8	-17	288	347	-58	-20	577	577	-
Planning Services	149	136	13	9	895	846	50	6	1,811	1,723	88
Sub Total	1,104	1,102	2	0	6,634	6,661	-28	-0	13,327	13,514	-187
Council Wide - Vacant Posts	5	-	5	100	22	-	22	100	-20	-20	-
Staff Recruitment and Retention	-	-	-	-	-	-	-	-	155	155	-
TOTAL SDC Funded Salary Costs	1,109	1,102	7	1	6,656	6,661	-5	-0	13,462	13,649	-187
<u>Externally Funded & Funded from other sources (gross figures). Overspendings here are matched by external funding and represent additional resources secured for the Council since the budget was set.</u>											
Communities and Business Ext. Funded	14	16	-2	-17	83	87	-5	-6	165	165	-
Housing Ext. Funded	18	19	-1	-5	111	113	-2	-2	222	238	-16
	32	35	-3	-10	194	201	-7	-4	387	403	-16
TOTAL All Salary Costs	1,141	1,137	4	0	6,850	6,862	-12	-0	13,849	14,052	-203
<i>Less Allocs to Trading a/cs inc Ext Funded TASK</i>	<i>-233</i>	<i>-217</i>	<i>-16</i>	<i>-7</i>	<i>-1,403</i>	<i>-1,346</i>	<i>-56</i>	<i>-4</i>	<i>-2,801</i>	<i>-2,801</i>	<i>-</i>
<i>Less Allocations to Capital and Asset maint. etc</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Check total to Pay Costs	908	920	-12	-1	5,447	5,516	-69	-1	11,048	11,251	-203

DIRECT SERVICES SUMMARY

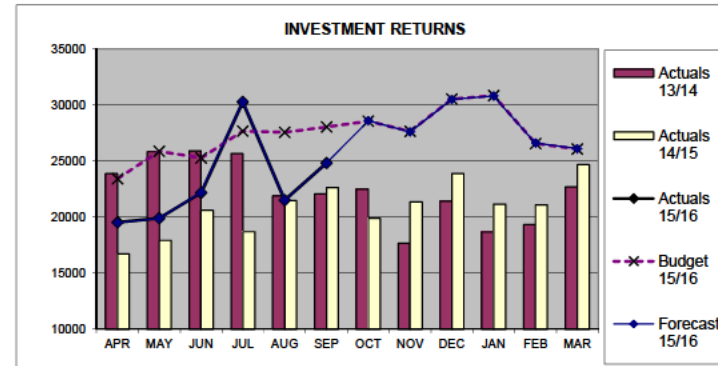
Appendix A

September 2015	PERIOD				Y-T-D				ANNUAL			Y-T-D NET VARIANCE			ANNUAL NET VARIANCE		
	Budget	Actual	Actual / Budget	Variance	Budget	Actual	Actual / Budget	Variance	Budget	Forecast	Variance	Net Budget by Service	Net Actual by Service	Variance by Service	Net Budget by Service	Net Actual by Service	Variance by Service
	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income																	
Refuse	-195	-198	2%	3	-1,156	-1,168	1%	11	-2,313	-2,320	7	-27	-95	69	-57	-70	13
CDSU	-5	-5	0%		-27	-27	0%		-54	-54		9	9		17	18	-1
Street Cleaning	-101	-101	0%		-605	-605	0%		-1,210	-1,210		29	14	15	57	50	7
Trade	-27	-27	-1%		-205	-220	7%	15	-375	-360	-15	-27	-23	-4	-17	-6	-11
Workshop	-52	-50	-4%	-2	-312	-290	-7%	-21	-624	-600	-24	-3	-2	-1	-6	-6	
Green Waste	-48	-56	17%	8	-293	-255	-13%	-38	-414	-414		-92	-42	-50	-23	-14	-9
Premises Cleaning	-8	-8	0%		-45	-45	0%		-90	-90		-14	-17	2	-28	-28	
Cesspools	-21	-21	1%		-125	-128	3%	3	-250	-250		-8	-13	5	-16	-16	
Pest Control	-12	-8	-36%	-4	-55	-55	-1%		-82	-82		-15	-12	-3			
Grounds	-11	-11	0%		-65	-65	0%		-132	-132		8	4	4	-8	-9	1
Fleet	-73	-70	-4%	-3	-438	-438	0%		-877	-877			-3	3			
Depot	-23	-16	-32%	-7	-147	-120	-18%	-27	-298	-280	-18	-4	1	-5		5	-5
Emergency	-4	-4	0%		-25	-25	0%		-50	-50		-2	-3	1	-3	-3	
Total Income	-579	-573	-1%	-6	-3,499	-3,441	-2%	-58	-6,767	-6,719	-48	-146	-181	35	-84	-79	-5
Expenditure																	
Refuse	188	171	9%	17	1,130	1,072	5%	57	2,256	2,250	6						
CDSU	6	6	-4%		36	36	0%		72	72							
Street Cleaning	106	106	-1%	-1	634	619	2%	15	1,267	1,260	7						
Trade	30	39	-29%	-9	179	197	-10%	-19	358	354	4						
Workshop	51	53	-4%	-2	309	288	7%	21	618	594	24						
Green Waste	34	31	10%	3	201	212	-6%	-11	391	400	-9						
Premises Cleaning	5	5	8%		31	28	8%	2	62	62							
Cesspools	20	18	9%	2	117	115	2%	2	234	234							
Pest Control	7	8	-18%	-1	40	43	-6%	-2	82	82							
Grounds	12	10	14%	2	73	69	6%	4	123	123							
Fleet	73	71	3%	2	438	435	1%	3	877	877							
Depot	25	17	31%	8	143	122	15%	21	298	285	13						
Emergency	4	4	6%		23	22	4%	1	47	47							
Total Expenditure	560	538	4%	21	3,353	3,260	3%	93	6,683	6,640	43						
Net	-19	-35	84%	16	-146	-181	24%	35	-84	-79	-5						

INVESTMENT RETURNS

INVESTMENT RETURNS

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Budget 15/16	Variance	Forecast 15/16
APR	23,889	16,720	19,545	23,406	-3,861	19,500
MAY	25,821	17,917	19,918	25,875	-5,957	19,900
JUN	25,924	20,598	22,172	25,272	-3,100	22,200
JUL	25,660	18,694	30,253	27,663	2,590	30,300
AUG	21,900	21,459	21,508	27,560	-6,052	21,500
SEP	22,069	22,633	24,802	28,045	-3,243	24,800
OCT	22,500	19,904		28,556		28,600
NOV	17,673	21,359		27,635		27,600
DEC	21,411	23,875		30,531		30,500
JAN	18,662	21,136		30,831		30,800
FEB	19,308	21,081		26,556		26,600
MAR	22,693	24,697		26,070		26,100
TOTAL	267,510	250,073	138,198	328,000	-19,623	308,400



INVESTMENT RETURNS (CUMULATIVE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Budget 15/16	Variance	Forecast 15/16
APR	23,889	16,720	19,545	23,406	-3,861	19,500
MAY	49,710	34,637	39,463	49,281	-9,818	39,400
JUN	75,634	55,235	61,635	74,553	-12,918	61,600
JUL	101,294	73,929	91,888	102,216	-10,328	91,900
AUG	123,194	95,388	113,396	129,776	-16,380	113,400
SEP	145,263	118,021	138,198	157,821	-19,623	138,200
OCT	167,763	137,925		186,377		166,800
NOV	185,436	159,284		214,012		194,400
DEC	206,847	183,159		244,543		224,900
JAN	225,509	204,295		275,374		255,700
FEB	244,817	225,376		301,930		282,300
MAR	267,510	250,073		328,000		308,400

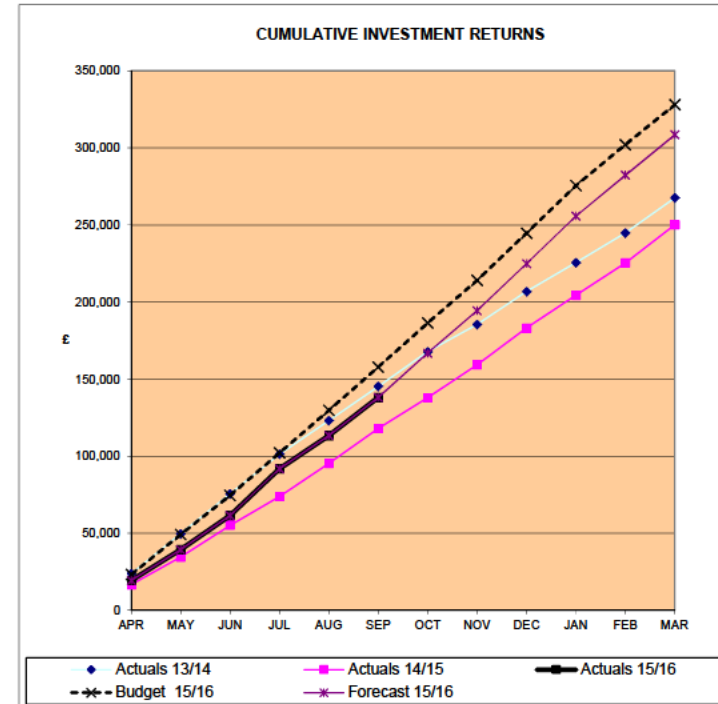
BUDGET FOR 2015/16 328,000
 FORECAST OUTTURN 308,400

CODE:- YHAA 96900

N.B.

These are the gross interest receipts rather than the interest remaining in the General Fund

Fund Average 0.6572%
 7 Day LIBID 0.3500%
 3 Month LIBID 0.4300%



STAFFING STATISTICS SEPTEMBER 2015

	BUDGET FTE	STAFF FTE	AGENCY STAFF	CASUAL FTE	TOTAL	COMMENTS	AUGUST TOTALS
1. Communities and Business	13.73	12.54	0.00	0.38	12.92		13.50
2. Corporate Support							
<i>Contact Centre, HR, Secretariat & Property</i>	60.23	55.03	2.00	0.00	57.03		57.03
3. Environmental & Operational Services	148.81	146.76	21.13	1.23	169.12		163.52
<i>3a. Building Control</i>	10.61	10.61	0.00	0.00	10.61		10.61
<i>3b. Environmental Health</i>	12.57	11.18	2.00	0.00	13.18		13.18
<i>3c. Licensing</i>	8.62	8.42	0.00	0.00	8.42		8.42
<i>3d&e. Operational Services</i>	105.01	102.55	19.13	1.23	122.91		117.31
<i>3f. Parking & Amenity Services</i>	12.00	12.00	0.00	0.00	12.00		12.00
<i>3g. Kent Resource Partnership</i>	0.00	2.00	0.00	0.00	2.00	Funding comes from a number of authorities not just SDC	2.00
4. Finance							
<i>Finance, Revenues & Benefits, Transformation & Strategy, & Chief Executive</i>	64.72	57.54	8.75	1.19	67.48	High number of agency due to universal credit	70.04
5. Housing	12.35	13.03	0.00	0.00	13.03		13.03
6. Legal & Governance	12.31	10.00	2.00	0.40	12.40		14.54
7. Planning Services	45.80	42.17	0.00	0.00	42.17		42.17
SUB TOTAL	357.95	337.07	33.88	3.20	374.15		373.83
EXTERNALLY FUNDED POSTS							
8. Communities and Business	5.23	5.23	0.00	0.00	5.23		5.23
9. Housing	6.09	5.31	0.00	0.00	5.31		5.31
SUB TOTAL	11.32	10.54	0.00	0.00	10.54		10.54
TOTAL	369.27	347.61	33.88	3.20	384.69		384.37
Number of staff paid in September 2015: 378 permanent, 9 casuals							

Reserves

	01/04/15	Movement in month	Cumulative to date	Balance as at end September 15	31/3/16 budget	31/3/16 forecast
	£000	£000	£000	£000	£000	£000
Provisions						
Accumulated Absences	152			152	152	152
Municipal Mutual Insurance (MMI)	257			257	257	257
NNDR Appeals	1,804			1,804	1,804	1,804
Others	94			94	94	94
	2,307	0	0	2,307	2,307	2,307
Capital Receipts(Gross)						
	3,460	0	-120	3,580	0	0
Note: this balance will reduce at year end as the receipts are used to finance capital expenditure						
Earmarked Reserves						
Budget Stabilisation	6,704			6,704	7,551	7,671
Financial Plan	4,160			4,160	3,659	3,659
Property Investment	3,731			3,731	3,731	0
Asset Maintenance	1,000			1,000	1,000	1,000
Housing Benefit subsidy	664			664	664	664
Pension Fund	640			640	640	640
Local Plan/LDF	634	-8	-8	626	571	571
Reorganisation	465			465	465	465
Vehicle Renewal	419			419	419	419
Action and Development	395			395	395	395
Communities and Business	383			383	383	383
New Homes Bonus	379			379	469	469
First Time Sewerage	366			366	366	366
Carry Forward Items	336			336	336	336
Vehicle Insurance	293			293	293	293
IT Asset Maintenance	244			244	244	244
Corporate Project Support	200			200	200	200
Capital Financing	184			184	275	275
Flood Support	144			144	144	144
Repayable Housing Grant Assistance	117		9	126	117	117
District Elections	106	-5	-30	76	124	124
Housing Surveys	105			105	105	105
Homelessness Prevention	103		17	120	103	103
Health & Safety	100			100	100	100
Others (Under £100k)	445			445	445	445
	22,317	-13	-11	22,306	22,799	19,188
General Fund						
Required Minimum	1,500				1,500	1,500
Available Balance	0				0	0
	1,500				1,500	1,500
TOTAL	29,584				26,606	22,995

9. Capital

September 2015

	Period	Period	Period	Period	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Annual	
	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance	Budget	Forecast	Variance	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	£'000	(including Accruals) £'000	£'000	
COMMDEV	Big Community Fund - Capital	-	3	-3	-	-	10	-10	-	-	-	-
COMMDEV	Property Investment Strategy	200	400	-200	-100	6,700	6,708	-8	-0	6,700	6,700	-
ENVOPS	Car Park	-	-	-	-	-	-	-	-	4,000	4,000	-
ENVOPS	Vehicle Purchases	42	40	2	5	249	186	63	25	498	498	-
ENVOPS	Dunbrik Vehicle Workshop	-	-	-	-	-	0	-0	-	234	234	-
HOUSING	Improvement Grants	24	41	-18	-74	142	130	12	9	284	284	-
HOUSING	WKHA Adaps for Disab Financing Costs Advances	21	20	1	6	125	36	89	71	250	250	-
HOUSING	SDC - HMO Grants	-	-	-	-	-	10	-10	-	-	-	-
HOUSING	RHPCG 10-11 SDC	-	9	-9	-	-	14	-14	-	-	-	-
HOUSING	RHPCG - Energy Conservation	-	-	-	-	-	6	-6	-	-	-	-
ICT	Back-up Generator	-	-	-	-	-	-	-	-	140	140	-
DEVCONT	Affordable Housing	-	-	-	-	-	92	-92	-	-	-	-
DEVCONT	S106 Capital	-	-	-	-	-	59	-59	-	-	-	-
		286	513	-227	-79	7,216	7,251	-35	-0	12,106	12,106	-

*Improvement Grants budget shown net of Government grant.

CUMULATIVE INCOME FIGURES**September 2015**

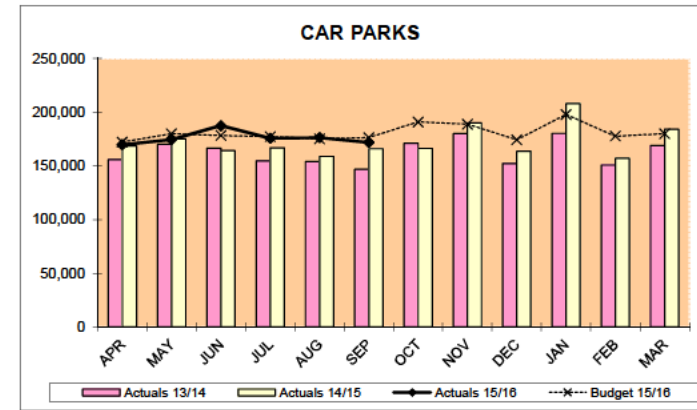
Agenda Item 10

	ACTUAL	Comparison of 14/15 and 15/16, where a minus is 'bad news'	MANAGER'S PROFILED BUDGET	Variance, where a minus is 'bad news'	ANNUAL BUDGET	Annual Forecast
CAR PARKS	1,054,991	55,695	1,058,746	-3,755	2,168,046	2,168,046
ON-STREET PARKING	533,471	39,588	448,846	84,625	917,973	917,973
LAND CHARGES	93,013	-23,854	80,850	12,163	190,903	200,903
BUILDING CONTROL	204,325	-41,410	228,648	-24,323	457,314	437,314
DEVELOPMENT MANAGEMENT	414,802	-59,184	334,062	80,740	715,547	760,547
	2,300,602	-29,165	2,151,152	149,450	4,449,783	4,484,783

10 Car Parks Graphs

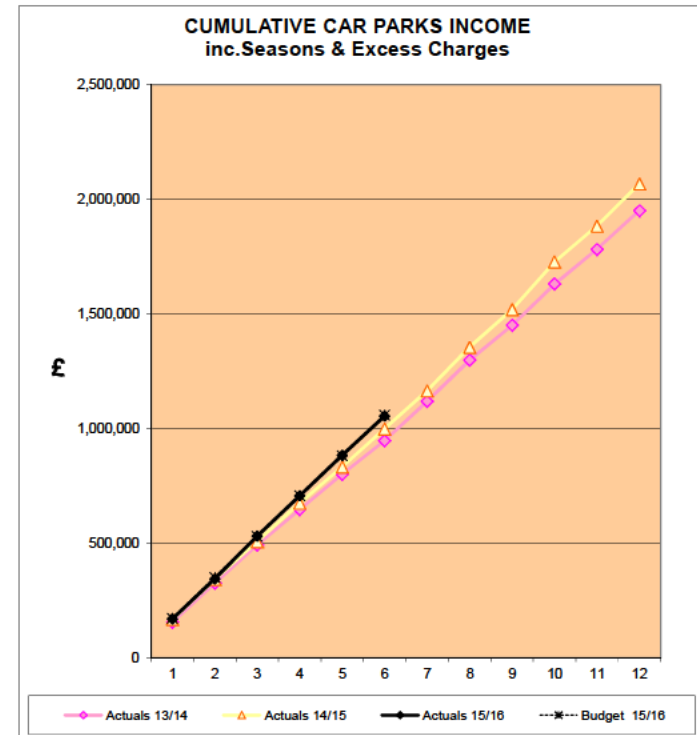
CAR PARKS (HWCARPK)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Actuals-Budget)	Manager's Forecast
1 APR	155,699	168,511	169,550	1,038	172,079	-2,529	
2 MAY	169,965	175,067	174,417	-649	179,850	-5,433	
3 JUN	166,396	164,077	187,391	23,314	178,233	9,158	
4 JUL	154,581	166,900	175,503	8,603	177,165	-1,662	
5 AUG	154,033	158,792	176,282	17,490	175,054	1,228	
6 SEP	146,979	165,949	171,848	5,899	176,365	-4,517	
7 OCT	170,958	166,318		-166,318	190,817	-190,817	
8 NOV	179,815	189,931		-189,931	188,798	-188,798	
9 DEC	152,215	163,685		-163,685	174,210	-174,210	
10 JAN	180,306	207,783		-207,783	197,832	-197,832	
11 FEB	150,861	157,031		-157,031	177,692	-177,692	
12 MAR	168,940	184,154		-184,154	179,951	-179,951	
TOTAL	1,950,748	2,068,198	1,054,991	-1,013,207	2,168,046	-1,113,055	2,168,046



CAR PARKS (CUMULATIVE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Cumulative increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Column E-G)	Manager's Forecast
APR	155,699	168,511	169,550	1,038	172,079	-2,529	
MAY	325,664	343,578	343,967	389	351,929	-7,962	
JUNE	492,060	507,655	531,358	23,703	530,162	1,196	
JUL	646,641	674,555	706,861	32,306	707,327	-466	
AUG	800,674	833,347	883,143	49,796	882,381	762	
SEP	947,653	999,296	1,054,991	55,695	1,058,746	-3,755	
OCT	1,118,610	1,165,614		-1,165,614		0	
NOV	1,298,425	1,355,545		-1,355,545		0	
DEC	1,450,641	1,519,229		-1,519,229		0	
JAN	1,630,947	1,727,012		-1,727,012		0	
FEB	1,781,808	1,884,044		-1,884,044		0	
MAR	1,950,748	2,068,198		-2,068,198		0	2,168,046



SEPTEMBER 2015

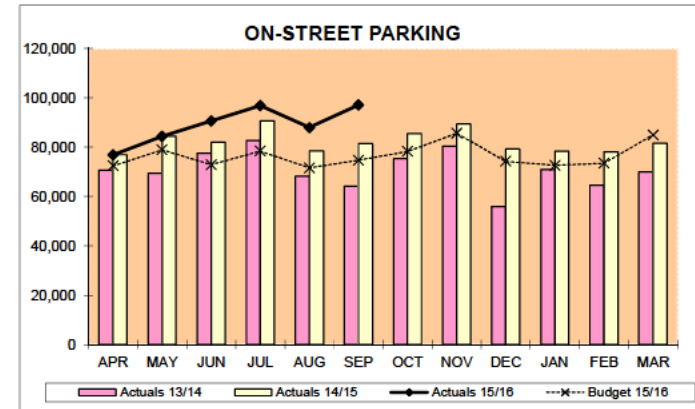
HWCARPK

	Actual (Cumulative)	Budget	(Monthly)	
DAY TICKETS	3300	889,743	897,540	151,661
EXCESS / PENALTY CHARGES	***1/****3	(403)	-	(6)
SEASON TICKETS	***2	154,802	154,206	19,614
OTHER (inc. Res. Pkg)	***9	5,618	3,000	2,028
WAIVERS	3404	190	-	-
RENT	94500	5,040	4,000	(1,450)
TOTAL		1,054,991	1,058,746	171,848

9 On-Street / Enforcement Graphs

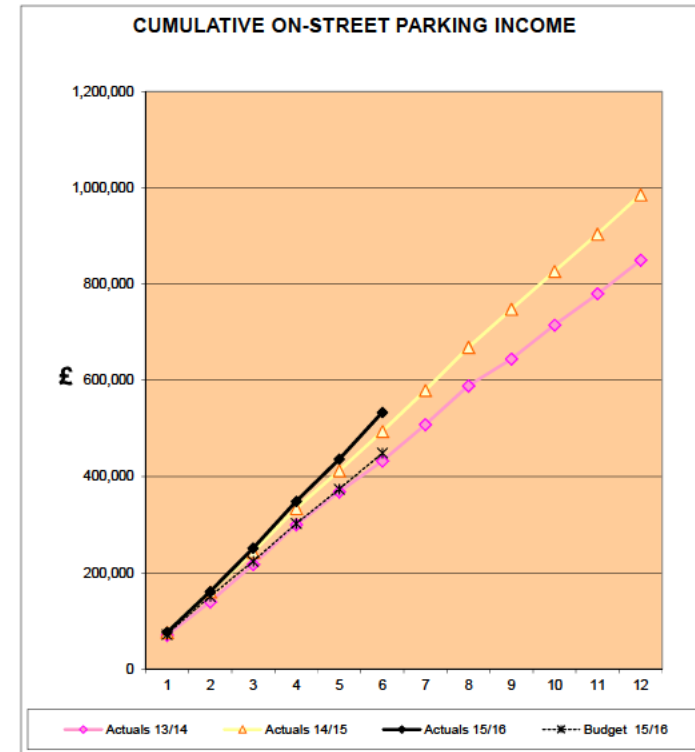
ON-STREET PARKING (HWDCRIM / HWENFORC)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Actuals-Budget)	Manager's Forecast
1 APR	70,633	76,959	76,819	-139	72,400	4,419	
2 MAY	69,381	84,385	84,358	-27	78,899	5,459	
3 JUN	77,535	81,925	90,549	8,624	72,906	17,643	
4 JUL	82,605	90,710	96,782	6,072	78,377	18,405	
5 AUG	68,200	78,464	87,931	9,466	71,559	16,372	
6 SEP	64,195	81,440	97,031	15,591	74,705	22,326	
7 OCT	75,420	85,478		-85,478	78,258	-78,258	
8 NOV	80,422	89,411		-89,411	85,619	-85,619	
9 DEC	55,880	79,197		-79,197	74,251	-74,251	
10 JAN	70,937	78,399		-78,399	72,606	-72,606	
11 FEB	64,562	78,050		-78,050	73,433	-73,433	
12 MAR	69,925	81,534		-81,534	84,960	-84,960	
TOTAL	849,694	985,953	533,471	-452,482	917,973	-384,502	917,973



ON-STREET PARKING (CUMULATIVE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Cumulative increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Column E-G)	Manager's Forecast
APR	70,633	76,959	76,819	-139	72,400	4,419	
MAY	140,014	161,344	161,178	-166	151,299	9,879	
JUNE	217,548	243,269	251,727	8,458	224,205	27,522	
JUL	300,153	333,979	348,509	14,530	302,582	45,927	
AUG	368,353	412,444	436,440	23,996	374,141	62,299	
SEP	432,548	493,883	533,471	39,588	448,846	84,625	
OCT	507,968	579,361		-579,361		0	
NOV	588,390	668,772		-668,772		0	
DEC	644,270	747,969		-747,969		0	
JAN	715,207	826,369		-826,369		0	
FEB	779,769	904,419		-904,419		0	
MAR	849,694	985,953		-985,953		0	917,973



SEPTEMBER 2015

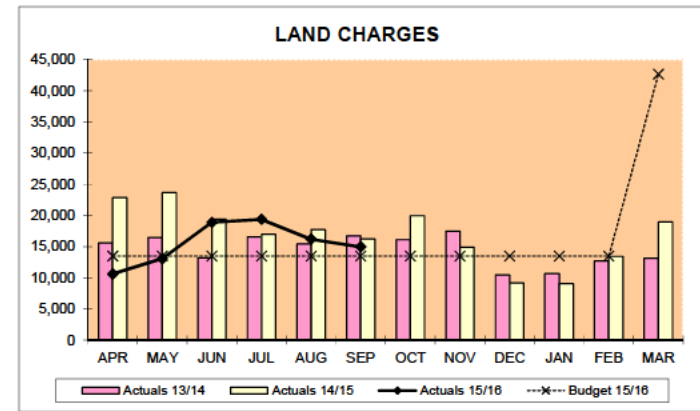
HWDCRIM / HWENFORC

	Actual (Cumulative)	Budget	(Monthly)	
PENALTY NOTICES	3403	108,121	69,120	27,259
WAIVERS	3404	3,573	4,998	1,358
RESIDENTS PERMITS	3406	32,679	24,000	5,354
ON STREET PARKING	3300	264,102	235,048	42,728
BUSINESS PERMITS	3408	40,293	41,496	4,728
OTHER	9999	5,870	-	-
EXCESS CHARGE	****1	78,832	74,184	15,603
TOTAL		533,471	448,846	97,031

10 Land Charges Graphs

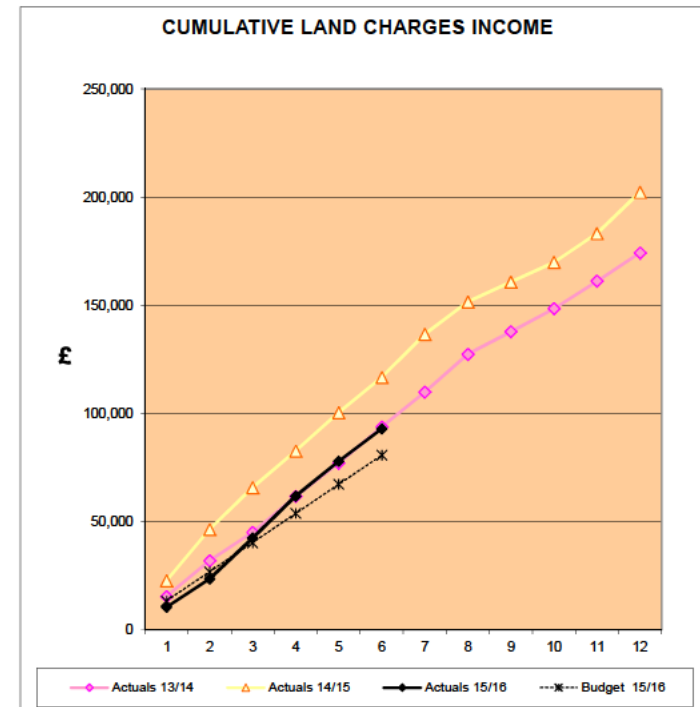
LAND CHARGES (LPLNDCH)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Actuals-Budget)	Manager's Forecast
1 APR	15,600	22,879	10,600	-12,280	13,475	-2,875	
2 MAY	16,455	23,640	13,067	-10,572	13,475	-408	
3 JUN	13,180	19,373	18,870	-503	13,475	5,395	
4 JUL	16,544	16,975	19,368	2,393	13,475	5,893	
5 AUG	15,419	17,740	16,176	-1,565	13,475	2,701	
6 SEP	16,709	16,259	14,933	-1,327	13,475	1,458	
7 OCT	16,083	19,959		-19,959	13,475	-13,475	
8 NOV	17,455	14,915		-14,915	13,475	-13,475	
9 DEC	10,427	9,149		-9,149	13,475	-13,475	
10 JAN	10,652	9,067		-9,067	13,475	-13,475	
11 FEB	12,722	13,439		-13,439	13,475	-13,475	
12 MAR	13,127	18,985		-18,985	42,678	-42,678	
	174,373	202,382	93,013	-109,369	190,903	-97,890	200,903



LAND CHARGES (CUMULATIVE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Cumulative increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Column E-G)	Manager's Forecast
APR	15,600	22,879	10,600	-12,280	13,475	-2,875	
MAY	32,055	46,519	23,667	-22,852	26,950	-3,283	
JUNE	45,235	65,892	42,537	-23,355	40,425	2,112	
JUL	61,779	82,867	61,905	-20,962	53,900	8,005	
AUG	77,198	100,607	78,080	-22,527	67,375	10,705	
SEP	93,907	116,867	93,013	-23,854	80,850	12,163	
OCT	109,990	136,826		-136,826		0	
NOV	127,445	151,741		-151,741		0	
DEC	137,872	160,890		-160,890		0	
JAN	148,524	169,957		-169,957		0	
FEB	161,246	183,397		-183,397		0	
MAR	174,373	202,382		-202,382		0	200,903



SEPTEMBER 2015

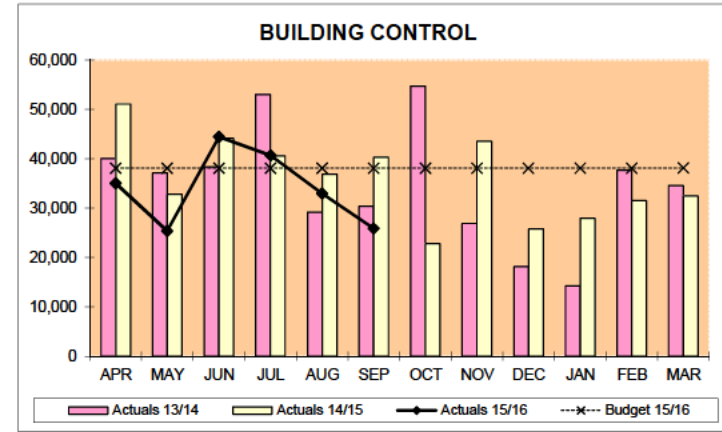
LPLNDCH

	Received (Month)	Percentage (Month)	Percentage (Month 14/15)	(Cumulative)	
Searches Received - Paper	£105	57	21%	25%	331
Searches Received - Electronic	£86	80	30%	36%	569
Searches Received - Personal	£0	133	49%	40%	589
		270	100.0%	99.9%	1,489

10 Building Control Graphs

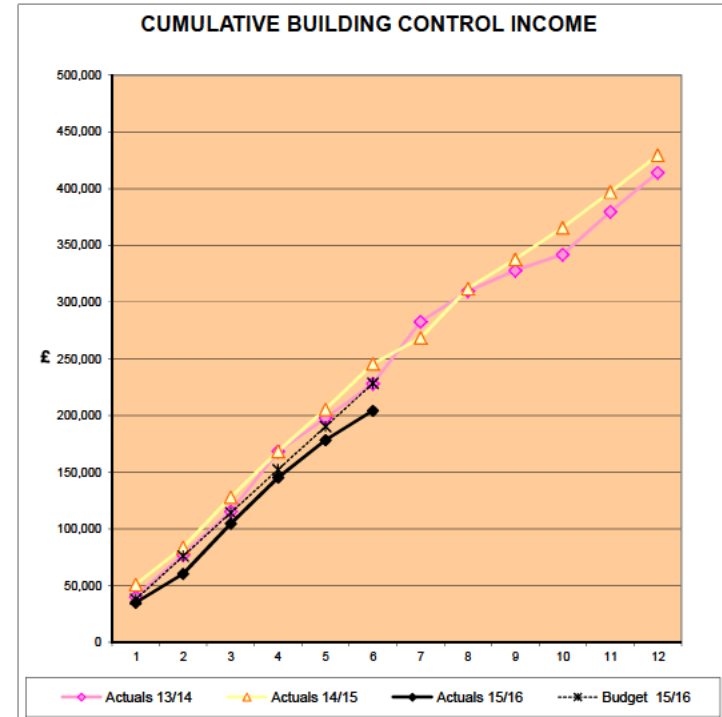
BUILDING CONTROL (DVBCFEE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Actuals-Budget)	Manager's Forecast
1 APR	40,068	51,034	35,001	-16,033	38,108	-3,107	
2 MAY	37,100	32,817	25,363	-7,454	38,108	-12,745	
3 JUN	38,370	44,143	44,417	274	38,108	6,309	
4 JUL	52,998	40,573	40,654	81	38,108	2,546	
5 AUG	29,169	36,853	32,974	-3,879	38,108	-5,134	
6 SEP	30,402	40,314	25,916	-14,399	38,108	-12,192	
7 OCT	54,714	22,812		-22,812	38,108	-38,108	
8 NOV	26,918	43,520		-43,520	38,108	-38,108	
9 DEC	18,120	25,767		-25,767	38,108	-38,108	
10 JAN	14,239	27,922		-27,922	38,108	-38,108	
11 FEB	37,644	31,466		-31,466	38,108	-38,108	
12 MAR	34,554	32,457		-32,457	38,126	-38,126	
	414,297	429,679	204,325	-225,353	457,314	-252,989	437,314



BUILDING CONTROL (CUMULATIVE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Cumulative increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Column E-G)	Manager's Forecast
APR	40,068	51,034	35,001	-16,033	38,108	-3,107	
MAY	77,168	83,852	60,365	-23,487	76,216	-15,851	
JUNE	115,539	127,995	104,782	-23,213	114,324	-9,542	
JUL	168,537	168,568	145,436	-23,132	152,432	-6,996	
AUG	197,706	205,421	178,410	-27,011	190,540	-12,130	
SEP	228,108	245,735	204,325	-41,410	228,648	-24,323	
OCT	282,823	268,547		-268,547		0	
NOV	309,740	312,067		-312,067		0	
DEC	327,861	337,834		-337,834		0	
JAN	342,099	365,756		-365,756		0	
FEB	379,743	397,222		-397,222		0	
MAR	414,297	429,679		-429,679		0	437,314



SEPTEMBER 2015

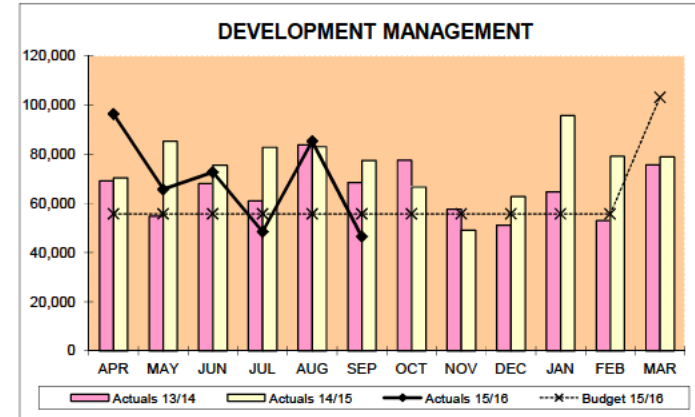
DVBCFEE

	Actual (Cumulative)	Budget	(Monthly)	
Plan Fee	3066	132,684	137,994	21,364
Inspection Fee	3067	71,641	90,654	4,552
	204,325	228,648		25,916

10 Development Management Graph

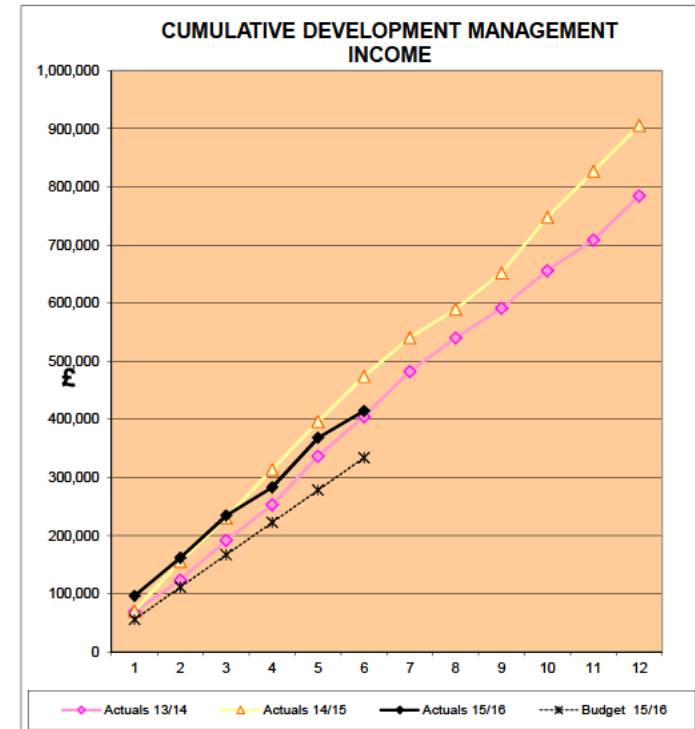
DEVELOPMENT MANAGEMENT (DVDEVCT)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Actuals-Budget)	Manager's Forecast
1 APR	69,061	70,352	96,359	26,007	55,677	40,682	
2 MAY	54,683	85,205	65,683	-19,522	55,677	10,006	
3 JUN	68,069	75,418	72,594	-2,824	55,677	16,917	
4 JUL	61,049	82,661	48,394	-34,267	55,677	-7,283	
5 AUG	83,804	82,965	85,273	2,308	55,677	29,596	
6 SEP	68,457	77,386	46,499	-30,887	55,677	-9,178	
7 OCT	77,511	66,604		-66,604	55,677	-55,677	
8 NOV	57,665	49,012		-49,012	55,677	-55,677	
9 DEC	51,148	62,729		-62,729	55,677	-55,677	
10 JAN	64,624	95,591		-95,591	55,677	-55,677	
11 FEB	52,900	79,133		-79,133	55,677	-55,677	
12 MAR	75,584	78,850		-78,850	103,100	-103,100	
	784,555	905,905	414,802	-491,103	715,547	-300,745	760,547



DEVELOPMENT MANAGEMENT (CUMULATIVE)

	Actuals 13/14	Actuals 14/15	Actuals 15/16	Cumulative increase / decrease from 14/15 to 15/16	Budget 15/16	Variance (Column E-G)	Manager's Forecast
APR	69,061	70,352	96,359	26,007	55,677	40,682	
MAY	123,743	155,557	162,042	6,485	111,354	50,688	
JUNE	191,813	230,975	234,637	3,662	167,031	67,606	
JUL	252,862	313,636	283,030	-30,606	222,708	60,322	
AUG	336,666	396,601	368,303	-28,297	278,385	89,918	
SEP	405,123	473,987	414,802	-59,184	334,062	80,740	
OCT	482,634	540,590		-540,590		0	
NOV	540,299	589,602		-589,602		0	
DEC	591,447	652,331		-652,331		0	
JAN	656,070	747,922		-747,922		0	
FEB	708,971	827,055		-827,055		0	
MAR	784,555	905,905		-905,905		0	760,547



SEPTEMBER 2015

DVDEVCT

	Actual (Cumulative)	Budget	(Monthly)	
Planning Application Fees	3009	377,853	303,246	41,568
Other	9999	-	-	-
Pre-application Fees	94301	28,299	25,656	4,931
Monitoring Fees	94302	8,650	5,160	-
	414,802	334,062		46,499

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Finance Advisory Committee Work Plan 2015/16

25 January 2016	18 April 2016	Summer 2016	Autumn 2016
<p>Introduction to Procurement Strategy – Presentation</p> <p>Risks and Assumptions for Budget 2016/17</p> <p>Capital and Asset Maintenance Budget 2016/17</p> <p>Financial Performance Indicators 2015/16 – to the end of November 2015</p> <p>Financial Results 2015/16 – to the end of November 2015</p>	<p>Introduction to Facilities Management – Presentation</p> <p>Financial Performance Indicators 2015/16 – to the end of February 2016</p> <p>Financial Results 2015/16 – to the end of February 2016</p>		

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