

24 May 2016 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks
Despatched: 16.05.16



Finance Advisory Committee

Membership:

Cllrs. Mrs. Bayley, Bosley, Cooke, Esler, Eyre, Kelly, Krogdahl, Lake, Pett, Scholey, Scott and Searles

Agenda

	Pages	Contact
Apologies for Absence		
1. Appointment of Chairman		
2. Appointment of Vice Chairman		
3. Minutes To agree the minutes of the meeting of the Committee held on 18 April 2016, as a correct record	(Pages 1 - 4)	
4. Declarations of Interest Any interest not already registered		
5. Actions from Previous Meeting (if any)		
6. Update from Portfolio Holder		
7. Referral from Cabinet or the Audit committee (if any)		
8. Introduction to Facilities Management - Presentation		Kevin Tomsett Tel: 01732 227368
9. Council Tax Reduction Scheme	(Pages 5 - 32)	Adrian Rowbotham Tel: 01732 227153
10. Provisional Outturn 2015/16 (Appendix B to follow)	(Pages 33 - 38)	Helen Martin Tel: 01732 27483
11. Financial Performance Indicators 2015/16 to the end of March 2016	(Pages 39 - 44)	Helen Martin Tel: 01732 227483
12. Work Plan	(Pages 45 - 46)	

EXEMPT INFORMATION

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.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227247 or democratic.services@sevenoaks.gov.uk.

FINANCE ADVISORY COMMITTEE

Minutes of the meeting held on 18 April 2016 commencing at 7.00 pm

Present: Cllr. Searles (Chairman)

Cllr. Scholey (Vice Chairman)

Cllrs. Mrs. Bayley, Esler, Krogdahl, Lake, Pett, Scholey and Scott

Apologies for absence were received from Cllrs. Cooke, Eyre and Kelly

37. Minutes

Resolved: That the Minutes of the Finance Advisory Committee held on 25 January 2016 be approved and signed by the Chairman as a correct record.

38. Declarations of Interest

No additional declarations of interest were made.

39. Actions from Previous Meeting

The Chairman explained that there had been no further movement on the financing of a replacement backup power generator at the Argyle Road offices and an offsite IT backup provider was being considered instead. In response to questions, the Head of Parking and Surveying explained that Officers were awaiting the costs of the dedicated line to the backup provider. The impact of extending the CCTV shared service would need to be considered on the separate backup generator that service used.

The actions were noted.

40. Update from Portfolio Holder

The Chairman and Portfolio Holder for Finance explained that work had continued to focus on the Council's construction projects and progressing with the annual accounts. He hoped to update Members further about the construction projects at the next meeting of the Committee.

41. Referral from Cabinet or the Audit committee

There were none.

42. Asset Maintenance - White Oak Leisure Centre, Swanley

The Head of Parking and Surveying presented a report that highlighted maintenance works required to the White Oak Leisure Centre (WOLC), Swanley for continued, safe operation in the short to medium term.

Agenda Item 3

Finance Advisory Committee - 18 April 2016

Members discussed the timing of the maintenance in light of the upcoming Swanley Masterplan and the feasibility study on the replacement of the centre. The Chief Officer Environmental & Operational Services explained that the site would still require maintenance for at least 2 to 3 years to be maintained in a safe operating condition. Works could not be delayed without the closure of some facilities.

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 works identified in the report, at an estimated cost of £90,000, be undertaken, and this expenditure be funded by a combination of asset maintenance budgets (£25,860) and by a supplementary estimate (£64,140);
- b) any underspend in the 2015/16 leisure asset maintenance budget be carried forward into 2016/17; and
- c) authority be granted to the Finance Portfolio Holder to authorise any expenditure above the approved asset maintenance budget to secure the continued safe operation of the WOLC for the short to medium term.

43. Financial Performance Indicators 2015/16 to the end of February 2016

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of February 2016, which Members considered. She advised that the spike in sundry debts over 61 days in September 2015 was due to delays in payment by another Local Authority, a single payment relating to a blown-down hoarding and applicants being slow to make repayment arrangements for the rent deposit scheme for the homeless.

Resolved: That the report be noted.

44. Financial Results 2015/16 - to the end of February 2016

The Head of Finance presented a report on the Council's financial results 2015/16 to the end of February 2016, which showed an overall favourable variance of £185,000. The end of year position forecast was to be £144,000 better than budget, which was just under 1.0 % of the net budget for the year. Property Investment Strategy income was to be transferred to the Budget Stabilisation Reserve.

Resolved: That the report be noted, and recommended to Cabinet to note.

45. Provisional Outturn 2015/16 and Carry Forward Requests

The Head of Finance presented a report that advised the Council's forecast outturn for 2015/16 was a favourable variance of £144,000 and requested that six specific

unspent revenue budgets and one capital budget be carried forward to 2016/17. Additional monies received through retained business rates, beyond that budgeted were to be transferred to reserves for the funding of identified corporate projects and a further provision made for the additional levy relating to Municipal Mutual Insurance Ltd.

In response to questions Officers explained that the figure arising from retained business rates was volatile depending on the level of appeals submitted to the valuation office. However the Council had budgeted against the minimum sums guaranteed by the government, which were guaranteed until the scheme was reviewed.

Public Sector Equality Duty

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

Resolved: That it be recommend to Cabinet that

- a) the Revenue 'carry forward' requests totalling £138,652 plus the unspent budget allowed for Asset Maintenance for Leisure buildings as set out in paragraph 7 of the report be approved;
- b) the Capital carry forward request totalling £117,000 as set out in paragraph 8 of the report be approved;
- c) the amount of business rates retained in excess of the budgeted sum for 2016/17 be transferred to a reserve to enable previously identified corporate projects to proceed; and
- d) a sum of £32,000 be set aside to provide for an additional levy in respect of Municipal Mutual.

46. Work Plan

It was agree that there was to be an update on procurement services at the meeting on 6 September 2016. The amended work plan was noted.

THE MEETING WAS CONCLUDED AT 7.31 PM

CHAIRMAN

COUNCIL TAX REDUCTION SCHEME

Finance Advisory Committee - 24 May 2016

Report of Chief Finance Officer

Status: For Decision

Also considered by: Cabinet - 9 June 2016

Key Decision: Yes

Executive Summary: The report updates Members on the progress that has been made on the review of the Council Tax Reduction Scheme in liaison with other Kent authorities.

Members are asked to agree the broad scheme framework in readiness for public consultation, and give delegated authority to the Chief Finance Officer and Finance Portfolio Holder.

Portfolio Holder Cllr. Searles

Contact Officer Adrian Rowbotham Ext. 7153
Nick Scott Ext. 7397

Recommendation to Finance Advisory Committee:

It is recommended that Cabinet:

- (a) Note the work undertaken thus far within Kent collectively, the resultant Options Appraisal set out in **Appendix A** and the Kent Finance Officers' group recommendation that any new CTR Scheme should be based on the current scheme but with a series of potential modifications upon which we should consult;
- (b) Launch a consultation on the potential introduction of a range of modifications to the current CTR scheme for working age claimants as follows:
 - (i) Increasing the minimum contribution rate for working age claimants to 20% or (up to) 25%;
 - (ii) Introducing a band cap at a band D;
 - (iii) Removing Second Adult Rebate;

- (iv) Reducing the capital limit to £6,000;
 - (v) Including Child Benefit and Child maintenance in the assessment of income;
 - (vi) Introducing a Minimum Income Floor for self-employed claimants (based upon the living wage at 35 hours per week for full time or 16 hours a week for part-time workers); and
 - (vii) Aligning regulations of the current CTR scheme with HB and (prescribed) Pension Age CTR scheme.
- (c) Through the consultation, seek views as to whether an Exceptional Hardship Policy should be incorporated as part of the scheme;
 - (d) Through the consultation, seek views on other ways of meeting the demands highlighted through the report other than changing the existing Council Tax Reduction Scheme (as set out in paragraph 30);
 - (e) Note the Equalities Impact Assessment (EQIA) at Appendix C; and
 - (f) Endorse the proposed arrangements in respect of consultation and, subject to there being no significant changes required to the above proposals following the outcome of approvals by other Kent district councils, give delegated authority to the Chief Finance Officer to finalise the consultation material in liaison with the Finance Portfolio Holder.

Recommendation to Cabinet:

- (a) Note the work undertaken thus far within Kent collectively, the resultant Options Appraisal set out in **Appendix A** and the Kent Finance Officers' group recommendation that any new CTR Scheme should be based on the current scheme but with a series of potential modifications upon which we should consult;
 - (b) Launch a consultation on the potential introduction of a range of modifications to the current CTR scheme for working age claimants as follows:
 - (i) Increasing the minimum contribution rate for working age claimants to 20% or (up to) 25%;
 - (ii) Introducing a band cap at a band D;
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 - (iv) Reducing the capital limit to £6,000;
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(based upon the living wage at 35 hours per week for full time or 16 hours a week for part-time workers); and

- (vii) Aligning regulations of the current CTR scheme with HB and (prescribed) Pension Age CTR scheme.
- (c) Through the consultation, seek views as to whether an Exceptional Hardship Policy should be incorporated as part of the scheme;
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- (e) Note the Equalities Impact Assessment (EQIA) at Appendix C and
- (f) Endorse the proposed arrangements in respect of consultation and, subject to there being no significant changes required to the above proposals following the outcome of approvals by other Kent district councils, give delegated authority to the Chief Finance Officer to finalise the consultation material in liaison with the Finance Portfolio Holder.

Introduction and Background

- 1 The Council Tax Reduction Scheme (CTRS) was introduced by the Department for Communities and Local Government (DCLG) in April 2013 as a replacement for the Council Tax Benefit (CTB) scheme administered on behalf of the Department for Work and Pensions (DWP).
- 2 As part of its introduction, Central Government set out a number of key elements:
 - The duty to create a local scheme for Working Age applicants was placed with Billing Authorities;
 - Government funding to authorities was reduced by the equivalent of 10% from the levels paid through benefit subsidy to authorities under the previous CTB scheme; and
 - Persons of Pension Age would be protected under regulations prescribed by Government.
- 3 Across Kent, a common approach was adopted for the design of local schemes, with the new schemes broadly replicating the former CTB scheme but with a basic reduction in entitlement for working age claimants. In Sevenoaks District, working age claimants must pay at least 18.5% of the council tax liability. The figure of 18.5% represented the 10% funding loss applied to the working age caseload across Kent. In other parts of Kent, the % varies. Therefore, although we do have a 'common platform' across Kent, local schemes at district level have been tailored to local needs.

Agenda Item 9

- 4 Since its introduction in April 2013, our own local scheme has been refreshed annually for data changes, but the core elements remain as were originally agreed.
- 5 The scheme is underpinned by the Kent-wide agreement, which recognises that all the Kent districts (as the billing authorities) will seek to have a common 'platform'. In return, the major precepting authorities (Fire, Police and the County) agreed to collectively pay to each district council an 'administration fee' of £125,000 each year, for three years, to assist with the costs of delivering and managing the
- 6 The original three year period ceased on 31 March 2016, but it was agreed with Kent County Council, Kent Police and Kent and Medway Fire & Rescue that the scheme would effectively 'roll on' for one more year (i.e. into 2016/17).

Scope of Review

- 7 When the new scheme started in April 2013, over 3,000 households within the district were affected.
- 8 Collection of the council tax balances has been challenging, however with focus on these accounts and some changes to recovery procedures, the scheme has been successful. The 'administrative fee' paid by the major precepting authorities has been essential in assisting with the costs of processing applications and in the recovery of debts.
- 9 The overall level of applicants, both working age and pension age, has fallen since the introduction of the local scheme and therefore, the total cost of the scheme has fallen since inception.
- 10 However, the '90%' funding that the government passed on to billing authorities through Revenue Support Grant (RSG) to support the costs of local schemes has effectively been cut with the reductions in local government finance settlements. Therefore, although the costs have reduced due to a lower claimant base, the outcome is that a greater share of the cost burden is falling on the billing authorities and the other major precepting bodies. This outcome has been one of the main catalysts for the review.
- 11 A group of Finance Officers from the Kent districts and major precepting authorities have been working closely together in setting the objectives of the review, and maintaining a common approach to the design of the local schemes. A consultant has been brought in on behalf of the Kent districts and major precepting authorities, and the costs are being shared. Thus far, the consultant has been assisting in the evaluation of alternative scheme models and will, in due course, assist us with the public consultation process.
- 12 The Kent authorities have collectively agreed the following objectives for the review:

- a) Having regard to the reductions in government grant and the financial pressures we face, to make the scheme less costly (if possible) and more efficient in terms of its operation; and
 - b) To have regard to the impact such changes may have on vulnerable residents and target support to those in most need.
- 13 It has been recognised by the Kent Finance Officers' group that the contributions that the major precepting authorities make towards the administration of the scheme are essential. Changes to the local scheme could potentially lead to a need to collect even more council tax from individuals who may find it difficult to pay; as well as those individuals finding the resultant changes difficult to comprehend.
- 14 Therefore, in parallel with the review of the local schemes, representatives from the Kent district councils are working with the major precepting authorities to formulate a new funding 'model' for assistance towards the administrative costs. At the time of writing the work is at an early stage, but it is likely that the model will include a smaller 'flat rate' grant topped up by a share of any additional proceeds as a result of our taxbase increasing (i.e. incentive based).
- 15 Clearly, the arrangements will need to be sufficient to incentivise the districts to undertake the additional work, and it will be essential that the arrangement is consistent across all districts and there are long term arrangements to ensure certainty of funding. Discussions are underway in this regard, but Members are assured that the major preceptors are committed to working with the district councils towards a mutually acceptable solution.

Options for Change to the Council Tax Reduction Scheme

- 16 In liaison with the consultant, the Kent Finance Officers' group has considered a wide range of options for potential change having regard to the objectives set out at paragraph 12 **Error! Reference source not found.** and the 'suitability' for Kent. These options are shown in Appendix A.
- 17 The most practical option would be to maintain a scheme similar to our current scheme (see option 7 in Appendix A) because:
- It is known to our claimants and largely mirrors the housing benefit (HB) system:
 - The Council's Revenues and Benefits system is adapted for this type of scheme and would, therefore, require little additional cost; and
 - Staff are familiar with the administration of this type of scheme and, as it is also aligned to HB, we can continue to take advantage of 'economies of scale'.

Agenda Item 9

- 18 In respect of the link to HB mentioned above, we cannot overlook the fact that, as we transition towards the full introduction of Universal Credit (UC), the future of HB for working age claimants is unclear. That said, it is difficult to assess the longevity of HB and, therefore, how long councils will need to maintain a 'skill set' for its administration. As Members are probably aware, the roll-out of UC has been further delayed and not likely to be completed until 2021 at the earliest. In addition, there is a strong likelihood that the pensioner caseload will remain on HB (and therefore not move over to UC) for the foreseeable future, which would mean that billing authorities would need to retain a workforce that has the skills to administer the HB scheme.
- 19 In order to meet the challenges of funding pressures, some adjustments to the 'current' scheme will inevitably need to be made. Initially, the major precepting authorities had suggested that we seek to reduce the cost of the scheme through the increase in the minimum contribution rate (currently 18.5% for working age claimants in the SDC area) and Members may be aware that Medway Council has recently increased its minimum contribution rate to 35%. However, evidence from around the country suggests that there is a "tipping point" (somewhere between 20% and 25%) after which collection rates are affected significantly. This 'tipping point' tends to affect claimants on low or fixed incomes; particularly single persons and couples with no dependants. Increasing the minimum % that a working age claimant needs to pay beyond a "tipping point" could be counter-productive and unrealistic.
- 20 Nevertheless, for the reasons set out in paragraph 2 it is important that we seek to reduce the overall costs further whilst maintaining fairness and a sense of 'reality' as to what is feasible. Therefore, it is felt that a combination of, or a selection from, Options 7 (a - h) in Appendix A built onto the current scheme may be more appropriate in meeting the objectives we have set.
- 21 Members will note from option 7e at Appendix A that it is not recommended that we consult on the inclusion of Disability Living Allowance (DLA) and Personal Independence Payments (PIP) in the assessment of total income. However, it is recommended to 'test the water' through the consultation process on the inclusion of child benefit and child maintenance in the assessment of total income. Until as recently as 2009, these income sources were not disregarded within the former Council Tax Benefit Scheme, and some councils have reverted to including these income sources in their local CTR schemes. It is recognised that this is potentially controversial in the same way as PIP and DLA, but on balance it is felt that the concept should at least be tested with the public through a consultation.
- 22 Due to the potential impact of changes on vulnerable residents (objective b in paragraph 12), it is considered that it is important that an 'Exceptional Hardship' policy is integral to the new scheme. Whilst details of this policy still need to be drawn up, it is anticipated that applications would be accepted where claimants have qualified for CTRS but are in need of further support due to severe financial hardship.

23 It is therefore recommended that the Council retains a scheme similar to the current one but consults the public on the potential integration into that scheme of Options 7(a - h) as set out in Appendix A.

24 A combination of some, or all, of these possible options may be required in order to achieve the objective of reducing overall costs. It is our intention that the resultant scheme will retain some longevity, certainly until there is more certainty about the full roll-out of UC. Members are also reminded that the group believes that an important feature of the new scheme should be the adoption of an Exceptional Hardship policy to protect vulnerable residents in severe financial hardship. This concept needs to be tested as part of the consultation.

Other Alternatives to Changing the Current Scheme

25 As Members are aware, the Council must find additional savings of £100,000 each year in the 10-year budget due to cuts in government funding. The Council is restricted by how much it can raise council tax annually without having a local referendum, and our reserves are finite.

26 Through our Financial Strategy, we already have planned over the 10-year budget period to use the Budget Stabilisation Reserve to ensure that the Council has a sustainable financial position going forward.

27 The 10-year budget already assumes that the Council will increase council tax by 2% each year from 2017/18 which is likely to be the maximum permitted without triggering a referendum. The Council could increase council tax further, but the costs of holding a referendum would need to be factored in, and the public would need to support the proposed increase.

28 The Council's general fund reserve is already at the recommended level of 10% of the net revenue budget so it is not proposed to reduce it.

29 Members will appreciate, therefore, that realistic alternative options to changing the CTR Scheme are somewhat limited. However, in the light of challenges to local CTR scheme consultations elsewhere, the question about alternative funding arrangements does still need to be asked of the public.

30 Thus, whilst it is not the preferred solution, it is recommend that the following questions are posed for completeness. Were any of these options to be supported and implemented, the impact would affect all residents in the District..

- Should Council Tax be increased for all Council *Taxpayers (beyond that already planned in the 10-year budget)* to fund the CTR scheme?
- Should Council reserves be used up to fund the scheme?
- Should there be further cuts to Council services (over and above those already required in the 10-year budget) to fund the scheme?

Agenda Item 9

Consultation Process

- 31 All of the Kent district councils are currently reporting similarly to their Members to seek authority to proceed in the way outlined within this report.
- 32 Prior to the implementation of any change to CTRS, authorities are required to consult with the public. There have been a number of legal challenges to CTRS consultations and it should be noted that a recent judgement handed down by the Supreme Court has defined what is meant by 'good consultation'.
- 33 The guiding principles which have been established through case-law for fair consultation are as follows:
- The consultation must be carried out at a stage when proposals are still at a formative stage;
 - Sufficient information on the reasons for the decision must be provided to permit the consultees to carry out intelligent consideration of the issues and to respond;
 - Adequate time must be given for consideration and responses to be made; and
 - The results of the consultation must be properly taken into account in finalising any decision.
- 34 The consultant has been working with the districts in order to prepare robust and consistent consultation material that can be individually 'branded' by each district within Kent. Each district must consult on its own scheme and ultimately make its own decisions about the 'final' scheme following the consultation.
- 35 All Kent districts are intending to go out to consultation at around the same time. The project timetable agreed by all Kent district councils at the start of the review anticipates consultation commencing in June and allowing 12 weeks for members of the public and other relevant stakeholders to comment.
- 36 The draft consultation documentation is shown at Appendix B. It is recommended that delegated authority be given to the Chief Finance Officer to finalise the consultation materials in consultation with the Leader and **Finance Portfolio Holder** taking on board any thoughts or observations Members may have.
- 37 It is anticipated that the consultation will be primarily web-site based, but it will be important to write to all claimants to draw their attention to the consultation and encourage them to participate by providing hard copy documents as appropriate. Additionally, it will be important to involve stakeholder groups such as the Citizens Advice Bureau, local debt advice

agencies, registered social landlords and other organisations with a significant interest, to obtain their views.

- 38 There is also a duty to consult with the major preceding authorities (County Council, Fire and Police) who are statutory consultees. This has already commenced and will continue throughout the project. At the time of writing, all major precepting authorities have advised that they are content with the proposals so far.

Key Implications

Financial

The cost of consultancy has been shared by all Kent authorities. Sevenoaks District Council's share of this cost is under £500.

It is anticipated that there will be some direct costs associated with the consultation process which will be contained within the revenue budget.

The cost of awards made under CTRS impact on the declared taxbase and thereby the council tax yield. If the cost of awards were to be reduced, this would mean that the Council's taxbase could increase and overall council tax income could increase. Any increase to council tax income is shared through the Collection Fund with major preceptors.

Legal Implications and Risk Assessment Statement.

The Council has a statutory duty to consult on a proposed scheme, case-law has determined the guiding principles for fair consultation which we will follow.

Regard needs to be made to the rules around consultation laid out through the Supreme Court Ruling in the case of R (on the application of Moseley) v London Borough of Haringey (2014) and in particular, the need to set out alternative choices within the consultation.

If consultation is not carried out appropriately, there is a risk of challenge once a decision is taken.

Whilst all Kent Councils are working towards a common framework, ultimately individual schemes could be different (as they are currently).

Equality Assessment

At this stage of the process, the decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. However, an Equalities Impact Assessment (EQIA) is at Appendix C.

Prior to a final decision being taken by the Cabinet, a full EQIA will be prepared.

Agenda Item 9

Conclusions

As outlined within the report, Kent district councils are working together in order to achieve a common framework in respect of the review of the local CTR schemes.

Each district council needs to individually agree the terms for consultation. If any significant issues arise through the 'group approach', Cabinet will be updated.

Appendices

Appendix A - Options considered by Kent Finance Officers' Group

Appendix B - Draft Consultation Document

Appendix C - Equalities Impact Assessment (online only)

Background Papers:

None

Adrian Rowbotham
Chief Finance Officer

**Review of Council Tax Reduction Scheme
Options Considered by Kent Finance Officers' Group**

	Option	Commentary/Context	Recommended for consultation?
1	Maintain current scheme (no change)	Does not meet objective of cost savings. In addition, there are changes in HB coming which would mean the CTR and Pension Age CTR / HB schemes would diverge.	X
2	Increase the level of support available to Working Age claimants to previous Council Tax Benefit Levels (up to 100% for all applicants)	Would be easier to administer and collect but severely exacerbates funding issues. Does not meet objective of cost savings and there may be divergence with HB system as above unless this is addressed. Over 70 authorities nationally still allow up to 100% support for working age claimants. Major preceptors would not support this option.	X
3	Total Income Discount (Banded) Scheme	Calculate total income of applicant and partner (where applicable) and put in an income 'band'. Bands to be determined. Would make it simpler from claimants point of view, and there could be less ongoing changes to entitlement. Currently no authority has a similar scheme in operation. Would require additional information to be gathered from claimants. Would need to pay for software changes (could be expensive).	X
4	Passported and Income Discount (Banded) Scheme	Identical to the previous scheme, however any applicant who receives a 'passported' benefit from DWP will automatically be placed in most generous band, cutting down on administration. Only one scheme like this in operation nationally. Relatively simple to understand. However as a high proportion of claimants would receive a passported benefit so automatically default to a single band the attractions of this scheme are diluted.	X
5	Simplified Means Test leading to a Discount Band	As current system but translate means test into a discount band. Thus if claimant were to change their earnings they may remain in the same band and changes to entitlement would not be needed. Potential to reduce some administration costs. Unclear whether software can be adapted. If it can, likely to be costly. No other council running this scheme.	X

	Option	Commentary/Context	Recommended for consultation?
6	Total Household Income scheme	<p>Include all non-dependant (e.g. adult child) income in means test based on ethos that the whole household should contribute towards Council Tax. One authority has implemented a similar scheme.</p> <p>More complicated to administer as details of all household incomes would need to be collected. Software currently would not allow for this information to be entered automatically and so this would become a manual process. Thus more administration for staff.</p> <p>However potential for more income to be included in the means test - and thus likely to deliver savings within total scheme cost.</p>	x
7	Retain Current Scheme but make the following changes:		
a	Increase the minimum % payable	<p>SDC currently requires working age claimants to pay a minimum of 18.5% towards council tax.</p> <p>Level of contribution varies significantly over the country. 76 councils having a nil contribution rate with 52 schemes having rates over 20%. Medway Council will be highest in Kent at 35% for 2016/17.</p> <p>Evidence there is a “tipping point” somewhere between 20% and 25% after which collection rates are affected significantly. ‘Tipping point’ severely affects applicants on low or fixed incomes particularly single persons and couples with no dependants. Increasing the minimum % that a working age claimant needs to pay beyond a “tipping point” could be counter-productive and unrealistic.</p> <p>Consider option of increasing minimum % to 20-25%</p>	✓
b	Introduce maximum Council Tax band level within scheme	<p>Any claimant living in a property with a higher Band that is set within the scheme would be limited to that band as far as any CTR support is concerned. For example, if maximum level is set at Band D, a claimant from house banded E, F, G or H would be limited in support they receive to equivalent of Band D. A number of authorities have adopted this option with the banding that is used ranging from a band D to as low as a band A. Within Kent, Band D would seem more appropriate as making this too low could disadvantage larger families.</p> <p>Consider option of introducing a maximum band cap at Band D</p>	✓

	Option	Commentary/Context	Recommended for consultation?
c	Remove Second Adult Rebate	<p>A taxpayer can presently apply for up to 25% reduction on their liability when an adult moves into their home who is on a low income. The applicant would lose their single person discount but could apply for this reduction instead. The reduction is assessed on the income of the second adult and not that of the taxpayer who could have any level of income or capital.</p> <p>This has been removed in a number of authorities across the country and in East Kent. There is a limited number of cases in SDC so impact small.</p> <p>Consider option of removing Second Adult Rebate</p>	✓
d	Reduce Capital limit	<p>Currently claimants are allowed to have capital (excluding property) of up to £16,000 and still be eligible to claim. This limit could be reduced and it is suggested that this should be reduced to £6,000 or roughly 4 years' worth of council tax. Used in a number of schemes around the country and is relatively simple to administer and is compliant with the system. Will have the effect of removing the entitlement of some claimants.</p> <p>Consider option of reducing capital limit to £6,000</p>	✓
e	Include currently disregarded incomes in calculation of total income	<p>Certain incomes are currently disregarded in full when calculating entitlement for CTR. These include Child Benefit, Child Maintenance, Disability Living Allowance and Personal Independence Payments. Child Benefit and Child Maintenance were included (i.e. were not disregarded) within Council Tax Benefit Schemes until as recently as 2009. Nationally twenty two schemes have reverted to including this income within the assessment.</p> <p>Disability Living Allowance (DLA) and Personal Independence Payments (PIP). These incomes are currently considered when calculating discretionary housing payments but not included within the calculation of Housing Benefit and Council Tax Support. There has however been recent controversy at a national level in respect of the government's proposal to curb PIP in order to deliver savings, and the proposal has been withdrawn. Could also impact on vulnerable groups.</p> <p>Consider option of including child benefit and child maintenance payments in the assessment of income</p>	✓

	Option	Commentary/Context	Recommended for consultation?
f	Introduce changes to non-dependant charges	<p>Introduce a standard charge for non-dependants who live in a property. Currently, non-dependant deductions can vary from £0.00 to £11.45 depending on level of income. A standard charge would be easier to administer and could contribute to savings within the scheme. Suggestion from group is £10 per week.</p> <p>Consider option of introducing a standard of £10 per week for non-dependant deduction</p>	✓
g	Introduce Minimum income floor for self-employed claimants	<p>Currently self-employed claimants are asked to declare their own level of income, and it is not unheard of for it to be declared as nil (or close to nil) after taking into account expenses. Claims are difficult to administer and challenging self-declared income levels can be protracted and time consuming.</p> <p>The Universal Credit assessment criteria includes a clause whereby a self-employed claimant is allowed to declare nil income in their first year of operation and then after that initial period to establish the business they are then assessed at either their declared income or at a minimum income floor calculated at 35 hours per week times the living wage. It may be necessary to consider an alternative for people who are unable to work full time (primarily single parents with young children).</p> <p>Consider introducing a minimum income floor for self-employed claimants (after a start-up period of say one year) based upon the living wage at 35 hours per week for full time or 16 hours a week for part-time workers</p>	✓

	Option	Commentary/Context	Recommended for consultation?
h	Align Scheme with HB and Pension Age CTR changes	<p>Central Government has announced significant changes to HB including the removal of certain premiums, a limitation on the number of dependants that can be included in the calculation, and the limiting of backdating.</p> <p>If we are to retain a scheme similar to the current one, it will be important to ensure it is aligned with HB as far as possible to aid understanding as well as efficiency of processing. These changes will form part of the prescribed requirements for the Pension Age CTR scheme.</p> <p>Consider option of aligning regulations of ‘base’ CTR scheme with HB and (prescribed) Pension Age CTR scheme</p>	✓
i	Change income tapers to incentivise work	<p>The current taper for assessing CTR claims is 20%, consistent with the previous CTB scheme. Changing this would affect all claimants and would be similar to increasing the minimum % payable.</p> <p>Would also would mean changing the software to accommodate this which could be costly</p>	✗

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Sevenoaks District Council

Council Tax Reduction Scheme 2017/18 Consultation Background Information

This consultation opens dd/mmm/yyyy and closes on dd/mmm/yyyy.

We are considering making changes to the Council Tax Reduction scheme and would like your views to help us make a decision.

This is a complex issue. We would like you to read the following background information before giving your views.

Background information

What is Council Tax Reduction?

Council Tax Reduction is a Council Tax discount for eligible people on low incomes. Currently, the maximum discount is 81.5% for working age households and 100% for pensioner age households.

Why is a change to the Council Tax Reduction scheme being considered?

Prior to April 2013, eligible people on low incomes could apply for Council Tax Benefit and receive up to 100% benefit. The Council received full funding from the Government to cover the costs of the benefits paid out.

Changes introduced by Central Government abolished Council Tax Benefit from 1 April 2013 and made local Councils responsible for setting up their own local Council Tax Reduction schemes for **working age people**. The Government also reduced the amount of funding to pay for the schemes.

Since then, this funding has been reducing each year so there is now less money available to pay for the Council Tax Reduction scheme. The Council is expecting to see continued reductions in Government funding. It therefore needs to consider how it will deal with this and whether the current scheme should be changed to meet the impact of the gap in funding.

Who will this affect?

Working age households in the District who currently receive or who will apply for Council Tax Reduction.

Pension age households will not be affected because the amount of discount they receive is regulated by Central Government. However, Councils still have to fund the Pension Age Scheme from their Government funding.

What is the timetable?

The Council must have the 2017-18 Council Tax Reduction scheme approved by 31 January 2017 to commence on 1 April 2017 and must consult on any changes to the scheme.

What other consultation is undertaken?

The law says that we must include the major preceptors - Kent County Council, Kent Fire and Rescue Service and Kent Police and Crime Commissioner - in an initial consultation about the proposed changes. The proposals set out in this consultation take account of their views.

How much does the Council Tax Reduction Scheme cost?

The estimated gross cost of the Council Tax Reduction scheme for 2016-17 is approximately £5.68 million. The Council's share of this cost is around 12% in line with the split of the Council Tax share with Kent County Council, Kent Fire and Rescue Service and Kent Police and Crime Commissioner.

What are the Council Tax Reduction scheme options being considered?

There are fourteen options being considered for the Council Tax Reduction Scheme for 2017/18, which would reduce the cost of the scheme. The Council is looking to introduce some of these options within the new scheme (working age scheme only).

These options are described in the consultation questionnaire (below) where you will have the opportunity to give your views. The potential impact and savings from the respective options are summarised in the table below:

Council Tax Reduction scheme options being considered

There are fourteen proposed changes being considered for the Council's Council Tax Reduction Scheme from 1st April 2017:

Option 1

Reduce the maximum level of support for working age from 81.5% to 80%

The Council currently requires all working age claimants to make a minimum payment of 18.5% towards their Council Tax. This would increase to 20%. Reducing the maximum level of support available is a simple change to the scheme which is easily understood. The Council is conscious that any minimum payment must be affordable given the household's circumstances. The Council is minded that if this change is introduced, there would be a need to protect the most vulnerable household through the introduction of a targeted exceptional hardship scheme

The benefits of this are:

- It is a simple alteration to the scheme which is easy to understand.
- It is fair because everyone shares the increase

The drawback of doing this is:

- All working age households receiving Council Tax Reduction will be required to pay more.

Option 2

Removing the family premium for all new working age claimants

The removal of family premium from 1st April 2017 for new claims will bring the Council Tax Reduction scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' of any claimant, which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them. Removing the family premium will mean that when we assess a claimant's needs it would not include the family premium (currently £17.45 per week). This change would **not** affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

The benefit of this is:

It brings the Council Tax Reduction Scheme in line with Housing Benefit changes proposed by Central Government;

The drawbacks of doing this are:

- New working age residents may see a reduction in the amount of support they received.
- Some households with children will pay more

Option 3

Reducing backdating of new claims to 1 month

Currently claims for Council Tax Reduction from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time. Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that the Council's Council Tax Reduction Scheme be aligned with the changes for Housing Benefit.

The benefit of this is:

- It is a simple alteration to the scheme which is easy to understand when claiming Housing Benefit and Council Tax Reduction.

The drawback of this is:

- New working age residents may see a reduction in the amount of support they received if they are unable to claim on time.

Option 4

Using a set income for self-employed earners after 1 year's self-employment In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income for those who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. Any income above this amount would be taken into account based on the actual amount earned. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to part-time workers.

The benefits of this are:

- The treatment of income for self-employed claimants for Council Tax Reduction will be brought broadly into line with Universal Credit.
- It should encourage self-employed working age applicants to expand their business
-

The drawback of this is:

- Where a working age claimant is self-employed and continues to run a business where their income is below the minimum living wage level, the Council will assume they earn at least the minimum level (based on a 35-hour week, regardless of the hours they work).

Option 5

Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks

Within the current scheme, applicants can be temporarily absent from their homes without it affecting the Council Tax Reduction. This replicated the rule within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations.

The benefits of the Council this are:

- The treatment of temporary absence will be brought into line with Housing Benefit
- It is seen as fair
- There are exceptions for certain occupations.

The drawback of this is:

- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Council Tax Reduction will cease from when they leave the Country. They will need to re-apply on return

Option 6

Reduce the capital limit from £16,000 to £6,000

At present, residents with savings, capital and investments of more than £16,000 are not entitled to any Council Tax Reduction. Under the proposed change; this limit would be reduced to £6,000.

The benefits of this are:

- Only those working age residents with at least £6000 in savings will be affected.
- There is a low risk to causing any hardship

The drawback of this is:

- Where a working age resident has in excess of £6,000 in savings, no reduction whatsoever will be payable.

Option 7

To introduce a standard level of non dependant deduction of £xx for all claimants who have non dependents resident with them
 Within the current scheme a deduction is made from Council Tax Reduction for people other than the applicant's partner who are 18 years old or over, that person would be expected to contribute towards payment of Council Tax. At present the weekly deductions range from £0.00 to £11.45 per week according to weekly income. The deductions would be replaced by £XX.

The benefits of doing this are:

- It is simple to understand compared to current rules
- Some households may see an increase in awards

The drawback of this is:

- The household may receive less Council Tax Reduction than at present

Option 8

To take any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction;
 Currently any payments of Child Maintenance paid to either an applicant or their partner does not count when working out their income for Council Tax Reduction. This proposal would allow the Council to include any Child Maintenance in the calculation.

The benefit of this is:

- Some families receive high levels of child maintenance that are not taken into account

The drawbacks of this are:

- It may discourage payments of child maintenance
- Some families will receive less Council Tax Reduction

Option 9

To take any Child Benefit paid to a claimant or partner into account in full in the calculation of Council Tax Reduction;
 Currently any payments of Child Benefit paid to either a claimant or their partner does not count when working out their income for Council

Tax Reduction. This proposal would allow the Council to include any Child Benefit in the calculation.

The benefit of this is:

- Some families receive relatively high levels of Child Benefit that are not taken into account.

The drawback of this is:

- Some families will receive less Council Tax Reduction

Option 10

To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge

The current Council Tax Reduction scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where an applicant lives in a property which is Band E, F, G or H then the Council Tax Reduction will be calculated on the basis of a Band D charge.

The benefit of this is:

It can be seen as a fairer method of providing support with those claimants living in higher banded properties and receiving Council Tax Reduction having to pay more

The drawbacks of this are:

- All working age claimants living in premises with a Council Tax band of higher than Band D will have their Council Tax Reduction restricted
- Reductions in awards may affect families living in larger homes

Option 11

Removal of Second Adult Reduction from the scheme.

The current Council Tax Reduction scheme can grant a reduction up to 25% in certain cases where the income of a 'second adult' (not the applicant's partner) who resides with the applicant is unemployed or has a low income.

The benefit of this is:

- It removes an element of the current scheme where the reduction bears no relationship to the income of the claimant

The drawback of this is:

- A small number of people who currently receive Second Adult Reduction will receive less support

Option 12

To remove the element of a Work Related Activity Component in the calculation of the current scheme for new Employment and Support

Allowance applicants.

From April 2017, all new applicants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes.

The benefits of the Council doing this are:

- The treatment of ESA will be brought into line with Housing Benefit
- It avoids additional costs to the Council Tax Reduction scheme.
- Persons receiving ESA will not experience any reduction in Council Tax Reduction.

There is no drawback

Option 13

To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two.

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within their applicable amounts. There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children or where households merge.

The benefits of the Council doing this are:

- Council Tax Reduction will be brought into line with Housing Benefit, Universal Credit and Tax Credits
- It is simple and administratively easy

The drawbacks of doing this are:

- Claimants who have a third or subsequent child after 1st April 2017 (and are not excepted from the rules) may receive less Council Tax reduction than a claimant who has more children born before 1st April 2017

Option 14

To remove entitlement to Council Tax Reduction for a claimant classified as a 'Person from Abroad' or subject to Immigration Control. This change would bring into line the Council Tax Reduction schemes for both working age and pensioners.

The benefits of the Council doing this are:

- It is a simple alteration to the scheme which is easy to understand
- It is seen as fair

The drawbacks of doing this are:

- A small number of people who currently receive Council Tax Reduction will no longer receive any financial support

Option 15

To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional financial hardship

The option would introduce a scheme whereby, individual cases would be looked at on their own merit. This would:

- Provide greater flexibility to the Council to help those that need it most.
- Enable a safety net for those households suffering exceptional financial hardship

The benefit of this is:

- It is a scheme that can be adapted to meet individual circumstances

The drawbacks of doing this are:

There will be some additional costs to the scheme

These are described in the consultation questionnaire (below) and the potential savings from the proposed changes are summarised in the table below:

Option Description	Estimated number of claimants affected	Estimated saving to the Council	Estimated saving to Kent CC, Police and Fire	Estimated total saving	Estimated weekly loss to household £
Option 1 To reduce the maximum level of support for working age from 82.5% to 80%	3,174 people	£8,585	£41,913	£50,498	£0.31
Option 2 To remove Family Premium for new claimants	163 people	£5,029	£24,552	£29,581	£3.49
Option 3 To reduce backdating to 1 month	Minimal	Minimal	Minimal	Minimal	Minimal

Option 4 To use a minimum level of income for self-employed earners after 1 year self-employment	307 people	£41,815	£204,156	£245,971	£15.41
Option 5 To reduce the period for which a person can be absent from Great Britain and receive Council Tax Reduction to 4 weeks	Minimal	Minimal	Minimal	Minimal	Minimal
Option 6 To reduce the capital limit from £16,000 to £6,000	58 people	£7,510	£36,669	£44,179	£14.65
Option 7 To introduce a standard level of non dependant deduction of £10 for claimants	289 people	£12,708	£62,043	£74,751	£4.97
Option 8 To include Child Maintenance in assessments for Council Tax Reduction	136 people	£8,519	£41,591	£50,110	£7.09
Option 9 To include Child Benefit in assessments for Council Tax Reduction	593 people	£31,729	£154,910	£186,639	£6.05
Option 10 To restrict the maximum level of Council Tax Reduction payable to a Band D charge	238 people	£13,578	£66,293	£79,871	£6.45
Option 11 To remove Second Adult Reduction	280 people	£2,252	£10,997	£13,249	£0.91

<p>Option 12 To remove the award of a Work Related Activity Component for all claimants who claim Employment and Support Allowance on or after 1st April 2017</p>	Minimal	Minimal	Minimal	Minimal	Minimal
<p>Option 13 To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two.</p>	31 people	£776	£3,787	£4,563	£2.83
<p>Option 14 To remove entitlement to Council Tax Reduction for a claimant classified as a 'Person from Abroad' or subject to Immigration Control</p>	Minimal	Minimal	Minimal	Minimal	Minimal
<p>Option 15 To introduce a scheme to help claimants suffering exceptional financial hardship (The protection scheme will add additional costs to the scheme but it will be designed to protect the most vulnerable who are experiencing exceptional financial hardship)</p>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Alternatives to reducing the amount of help provided by the Council Tax Reduction Scheme

We have also thought about other ways to make the spending cuts we need to make and maintain the amount of financial support provided by the Council Tax Reduction Scheme, which is currently in place. These have not been completely rejected and you are asked about them in the Questionnaire, but at the moment we do not think we should implement them for the reasons given under each sub-heading below.

We have considered:

1 Increasing the Level of Council Tax

Increasing the level of Council Tax to keep the current Council Tax Reduction Scheme would mean all residents in the District paying

more. The Council would need to hold a local referendum to ask residents to vote whether or not they would support such an increase.

2 Reduce Funding Available for Other Council Services

If we decide to keep the current Council Tax Reduction Scheme this will mean, there is less money available to deliver all the other services provided by the Council; or

3 Using the Council’s savings

Using our savings to protect the Council Tax Reduction scheme could be a short-term option. Once used, however, they will be gone and no longer available to support and invest in other Council services.

The Council also considered whether to consult on the inclusion of certain disability benefits, currently disregarded assessments of Council Tax Reduction, but did not feel this was appropriate.

Conclusion

The Council has to consider where savings will come from are therefore proposing some changes to the Council Tax Reduction Scheme. No final decisions have been made yet. The questionnaire seeks your views and suggestions to help us design the scheme for 2017/18.

How to Have Your Say

There is an online questionnaire. This is our preferred method for your response - go to: xxx.

Or, if you have evidence that you wish to attach, which you can't do on the questionnaire, please email: xxx .

Or write to xxx.

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Next steps....

Progress reports on the consultation will be added to our website: XXXX

You may submit further evidence, ideas or comments by email (XXX)

The consultation closes on dd/mmm/yyyy.

We will listen carefully to what residents tell us and take the responses into consideration when making a final decision on the 2017/18 scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

The new scheme will start on **1 April 2017**. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.

PROVISIONAL OUTTURN 2015/16

Finance Advisory Committee - 24 May 2016

Report of: Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Cabinet - 9 June 2016

Key Decision: No

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

Portfolio Holder Cllr. Searles

Contact Officer Head of Finance - Helen Martin ext 7483

Recommendation to Finance Advisory Committee: That

- (a) the outturn report for 2015/16 be noted;
- (b) the recommendations below to Cabinet, be endorsed.

Recommendation to Cabinet: It be RESOLVED that:

- (a) Funding for the Otford Palace Tower be taken from the Budget Stabilisation Fund and not from the General Fund Reserve.

Introduction

- 1 Provisional Financial Outturn figures for 201/16 are attached at Appendix A. These results will be presented to Cabinet at its meeting on 9 June 2016.
- 2 A favourable variance of £30,000 has been achieved. A summary of this variance, which represents is 0.2% of the net service expenditure budget, is given as Appendix A.
- 3 It was approved by Cabinet on 4 February 2016 that any favourable variances achieved on the 2015/16 budget be put into the Budget Stabilisation Reserve.
- 4 Revenue carry forward requests were considered at the previous meeting of this Advisory Committee and were approved by Cabinet.
- 5 A provisional amount of £150,000 has been included for retained business rates. This figure is still provisional as the information from the Valuation

Agenda Item 10

Office was not received early enough to allow the Collection Fund accounts to be completed in time for this meeting. Cabinet (21 April 2016) agreed that additional income arising in 2015/16 from business rate retention could be transferred to a Corporate Projects Reserve.

- 6 Main reasons for the year end variances are given in the following paragraphs and detailed explanations are provided as Appendix B.

High Level Analysis of Variances

- 7 Property Investment Strategy Income was a new source of income in 2015/16 and represented income derived from the acquisition of commercial property in Sevenoaks and Swanley. A total of £422,000 was received which included income from early surrender of one of the leases.
- 8 Revenues and Benefits - within Finance, additional resources were used to help address the Benefits workload and to be pro-active in contacting Council Tax support customers. The funding of that additional cost was shared with Dartford.
- 9 Income from Car Parks, On Street Parking and Planning exceeded Budget. There was a surplus on the On Street Parking budget and this can only be spent on permitted purposes within the Traffic Management Act 2004. As agreed by Cabinet on 5 February 2015, this surplus had been transferred to the On Street Parking Reserve.
- 10 Pay costs were slightly below budget due to the pay award for the year being below budget, vacant posts being higher than expected and tight control over overtime costs.
- 11 The surplus on the Direct Services Trading account was £149,000 better than expected due to additional income, savings on fuel and staffing costs.

Funding from Reserves - Otford Palace -

- 12 Cabinet (20th July 2015) recommended to Council that a sum of £130,699 from the General Fund Reserve be approved for stabilisation works at the Otford Palace Tower. It is now recommended that the funding for this project is taken from the Budget Stabilisation Reserve. This will enable the General Fund Reserve to remain at £1,500,000 which is considered a prudent level relative to our net service expenditure.

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.

Conclusions

- 13 Both Members and Officers were fully aware that 2015/16 would be an extremely challenging year. However, in the light of the financial pressures arising during the year, it is pleasing to report to Members a positive year end position.
- 14 The outturn position could not have been achieved without the commitment and hard work for both Members and Officers.
- 15 The 2016/17 budget includes savings totalling £0.487m. Achieving this continuing level of savings whilst managing the financial risks will require continued close and proactive financial management during 2016/17.

Risk Assessment Statement

- 16 These results are still provisional and may change due to issues arising from the closure of the Council's accounts, which will be completed by 30 June 2016.

Appendices

Appendix A - Outturn Summary

Appendix B - Explanation of variances (to follow)

Background Papers

See appendices

Contact Officer(s):

Helen Martin Ext. 7483

Adrian Rowbotham Ext. 7153

**Adrian Rowbotham
Chief Finance Officer**

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APPENDIX A

2. Overall Summary

March 2016 - Provisional Outturn as at 13/05/16

	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	- 5	57	- 62	1165	1,036	1007	29	3	1,036	1,036	-	839
Corporate Support	336	243	93	28	3,314	3109	205	6	3,314	3,258	56	3,247
Environmental and Operational Services	150	409	- 259	-173	2,464	2719	- 255	- 10	2,464	2,735	- 271	2,536
Financial Services	1,132	800	332	29	5,113	5057	56	1	5,113	5,044	69	4,847
Housing	- 59	- 42	- 17	29	730	743	- 13	- 2	730	739	- 8	725
Legal and Governance	35	- 42	77	221	629	621	8	1	629	677	- 48	541
Planning Services	110	256	- 146	-133	1,284	1208	76	6	1,284	1,185	99	1,060
NET EXPENDITURE (1)	1,698	1,680	18	1	14,569	14,464	105	1	14,569	14,672	- 103	13,795
<i>Adjustments to reconcile to amount to be met from Reserves</i>												
Direct Services Trading Accounts	- 0	12	- 13	-2867	- 84	-233	149	177	- 84	- 216	132	- 192
Capital charges outside General Fund	- 5	- 5	0	1	- 63	-63	- 0	- 0	- 63	- 63	-	- 60
Support Services outside General Fund	- 15	- 68	52	339	- 169	-222	54	32	- 169	- 169	-	- 168
Redundancy Costs - all	-	29	- 29	-	-	97	- 97	-	-	-	-	31
NET EXPENDITURE (2)	1,677	1,648	29	2	14,253	14,043	210	1	14,253	14,224	29	13,406
Revenue Support Grant (incl. CT Support)	- 126	- 126	-	0	- 1,516	- 1,516	-	-	- 1,516	- 1,516	-	- 2,232
Retained Business Rates	- 161	- 161	-	0	- 1,934	- 2,084	150	8	- 1,934	- 2,084	150	- 1,898
New Homes Bonus	- 152	- 152	-	0	- 1,818	- 1,825	7	0	- 1,818	- 1,825	7	- 1,396
Council Tax Requirement - SDC	- 775	- 775	-	0	- 9,298	- 9,298	-	-	- 9,298	- 9,298	-	- 9,010
Property Investment Strategy Income	-	- 3	3	-	-	- 422	422	-	-	- 383	383	-
NET EXPENDITURE (3)	463	432	31	7	- 313	- 1,102	789	- 252	- 313	- 882	569	- 1,129
<i>Summary including investment income</i>												
<i>Net Expenditure</i>	463	432	31	7	- 313	- 1,102	789	- 252	- 313	- 882	569	- 1,129
<i>Interest and Investment Income (net)</i>	- 26	- 24	- 2	6	- 301	-259	- 42	- 14	- 301	- 259	- 42	- 227
OVERALL TOTAL	437	407	30	7	- 614	- 1,361	747	- 122	- 614	- 1,140	526	- 1,357
Planned Appropriation (from)/to Reserves					614	614	-	0	614	614	-	-
Additional Appropriation to Budget Stabilisation Reserve (Re: Property Investment)					-	422	- 422	-	-	383	- 383	-
Transfer to Carry Forward Reserve/Provision Agreed by Cabinet 21 April 2016					-	145	- 145	-	-	-	-	-
Agreed Transfer to Corporate Projects Reserve (Re: Business Rates)					-	150	- 150	-	-	150	- 150	-
<i>Favourable Variance</i>					-	-30	30		-	6	- 6	- 1,357

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FINANCIAL PERFORMANCE INDICATORS 2015/16 - TO THE END OF MARCH 2016

Finance Advisory Committee - 24 May 2016

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

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

Portfolio Holder Cllr Searles

Contact Officer 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.

Agenda Item 11

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.

Conclusions

That Members note the report.

Appendices

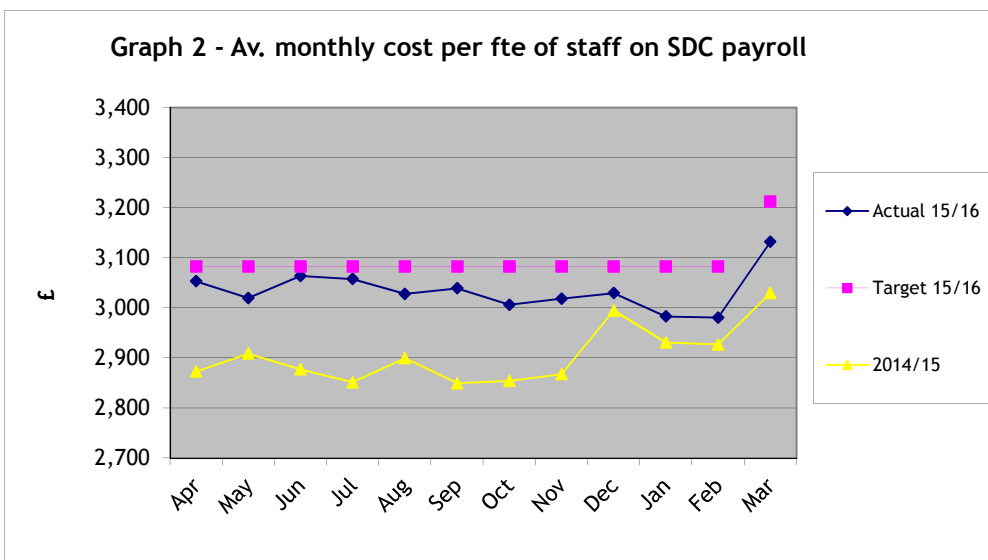
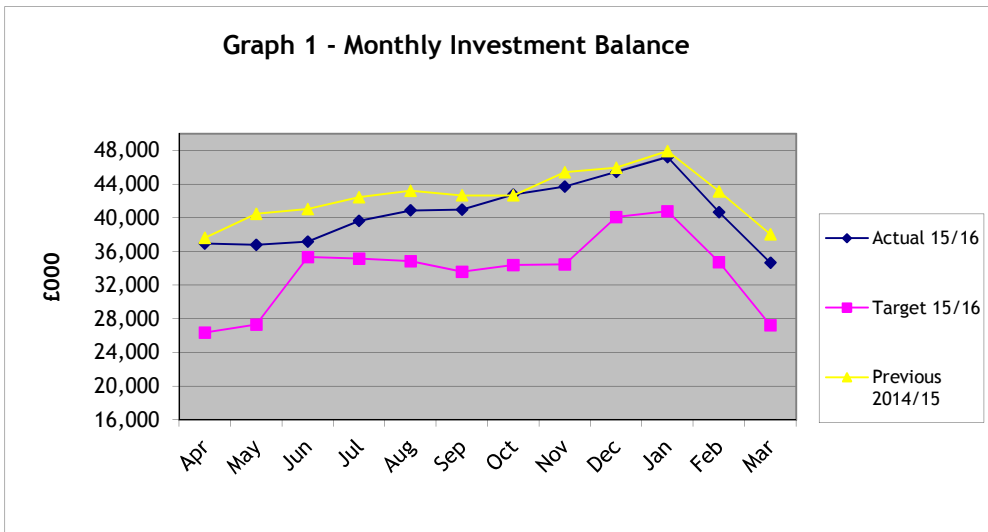
Appendix A - Performance Indicators - March 2016

Background Papers

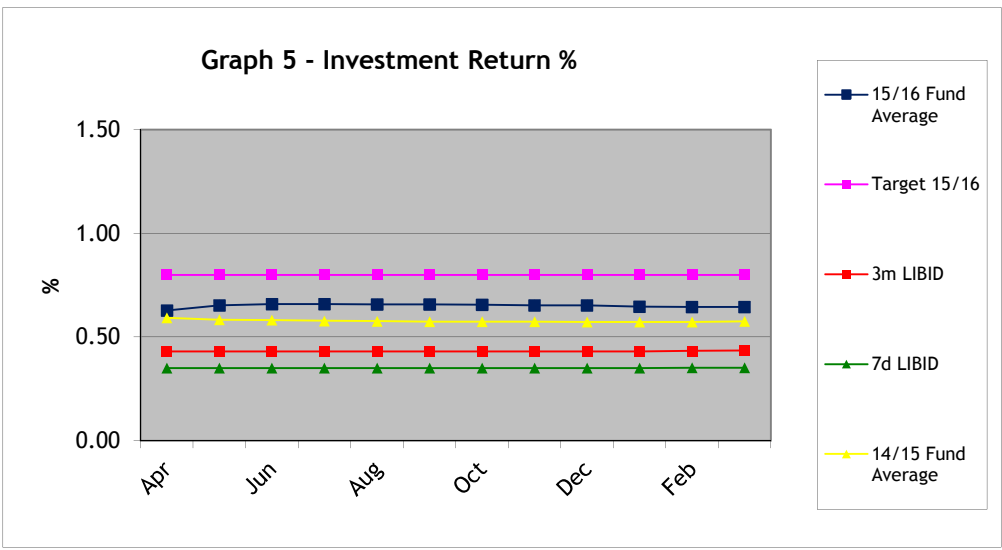
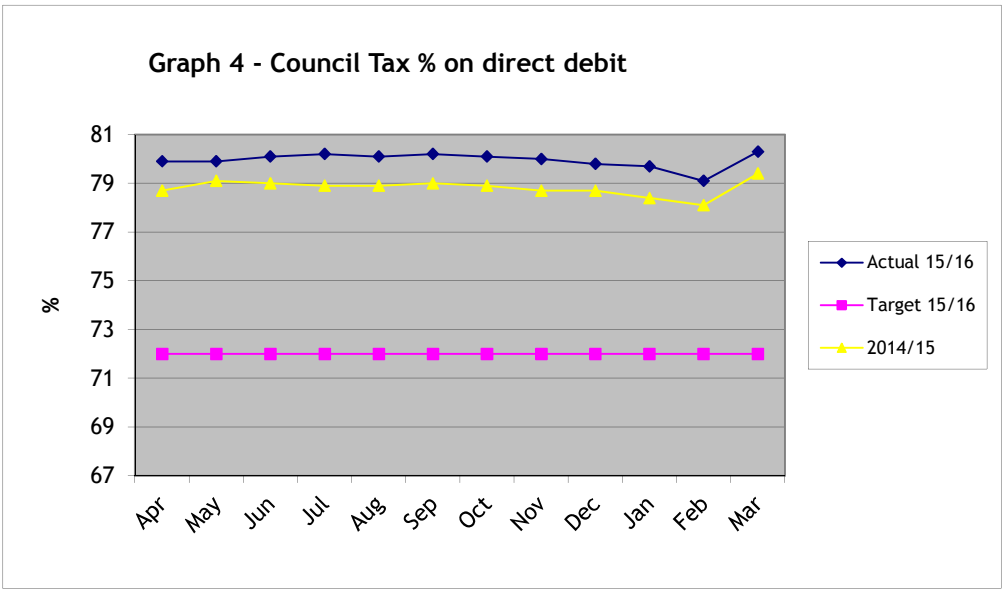
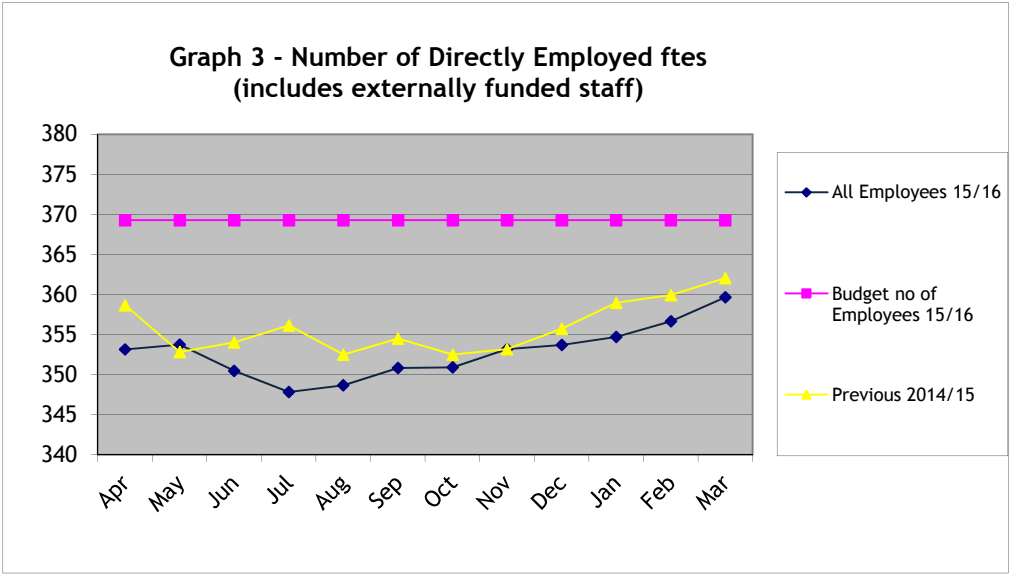
None

Adrian Rowbotham
Chief Finance Officer

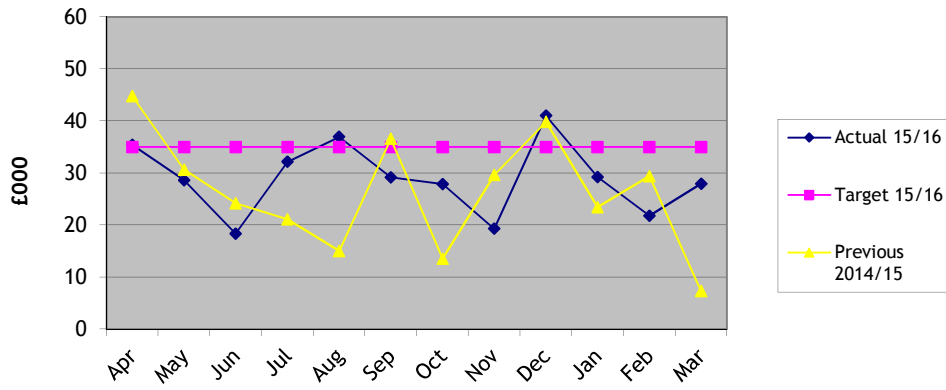
Finance Advisory Committee Finance Indicators 2015/16
as at end March 2016



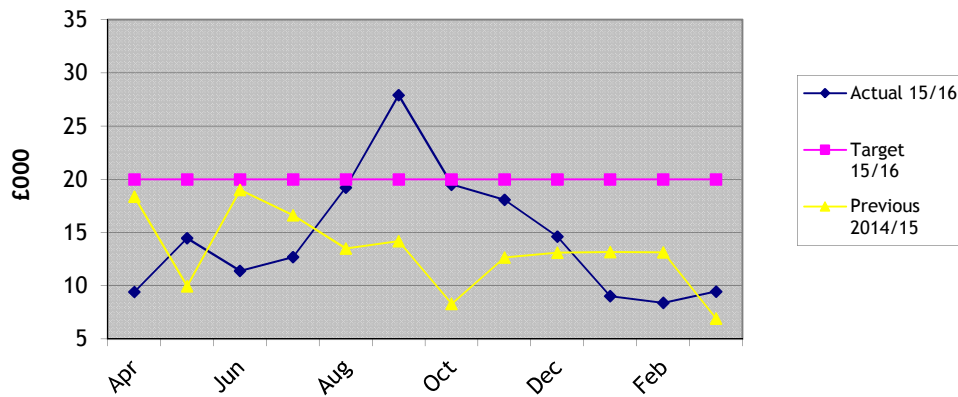
Agenda Item 11



Graph 6 - Sundry debts over 21 days



Graph 7 - Sundry debts over 61 days



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Finance Advisory Committee Work Plan 2016/17 (as at 21/04/16)

24 May 2016	6 September 2016	15 November 2016	31 January 2017	28 March 2017
<p>Introduction to Facilities Management – Presentation</p> <p>Revenue Outturn 2015/16</p> <p>Financial Performance Indicators 2015/16 – to the end of March 2016</p>	<p>Procurement Service Update</p> <p>Treasury Management Annual Report 2015/16</p> <p>Financial Prospects and Budget Strategy 2017/18 Onwards</p> <p>Financial Performance Indicators 2016/17 – to the end of July 2016</p> <p>Financial Results 2016/17 – to the end of July 2016</p>	<p>Service Update (service TBC)</p> <p>Treasury Management Mid-Year Update 2016/17</p> <p>Budget 2017/18: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)</p> <p>Financial Performance Indicators 2016/17 – to the end of September 2016</p> <p>Financial Results 2016/17 – to the end of September 2016</p>	<p>Service Update (service TBC)</p> <p>Discretionary Rate Relief</p> <p>Risks and Assumptions for Budget 2017/18</p> <p>Treasury Management Strategy 2017/18</p> <p>Capital Programme and Asset Maintenance 2017/18</p> <p>Financial Performance Indicators 2016/17 – to the end of November 2016</p> <p>Financial Results 2016/17 – to the end of November 2016</p>	<p>Service Update (service TBC)</p> <p>Provisional Outturn 2016/17 and Carry Forward Requests</p> <p>Financial Performance Indicators 2016/17 – to the end of January 2017</p> <p>Financial Results 2016/17 – to the end of January 2017</p>

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