

09 February 2017 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks

Despatched: 01.02.17

PLEASE NOTE *Members of the Public should be aware that there is limited space to observe or listen to the meeting and that whilst every effort will be made to accommodate those attending, admittance to the building may be restricted for Health & Safety reasons








Cabinet


Membership:


Chairman, Cllr. Fleming; Vice-Chairman, Cllr. Lowe
Cllrs. Dickins, Firth, Hogarth, Piper and Scholey

Agenda

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting held on 23 January 2017, as a correct record.	(Pages 1 - 6)	
2. Declarations of interest Any interests not already registered.		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council, Audit Committee, Scrutiny Committee or Cabinet Advisory Committees (if any)		
5. Budget and Council Tax Setting 2017/18	(Pages 7 - 58)	Adrian Rowbotham Tel: 01732 227153
		
REPORTS AND RECOMMENDATIONS FROM THE CABINET ADVISORY COMMITTEES		
6. Green Belt Assessment	(Pages 59 - 76)	Hannah Gooden Tel: 01732 227178
		
7. Swanley and Hextable Master Vision	(Pages 77 - 166)	Antony Lancaster Tel: 01732227326
		

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|-----|--|-------------------|--|
| 8. | Environmental Health Partnership - charging for support advice to food businesses
Introducing the "Access" Scheme
 | (Pages 167 - 172) | Annie Sargent
Tel: 01322343085 |
| 9. | Discretionary Rate Relief | (Pages 173 - 196) | Sue Cressall, Adrian Rowbotham
Tel: 01732 227041/7153 |
| 10. | Treasury Management Strategy 2017/18
 | (Pages 197 - 244) | Roy Parsons
Tel: 01732 227204 |
| 11. | Capital Programme & Asset Maintenance 2017/20 | (Pages 245 - 256) | Helen Martin
Tel: 01732 227483 |
| 12. | Financial Results - to the end of December 2016 | (Pages 257 - 264) | Helen Martin
Tel:01732 227483 |

 Indicates a Key Decision

 indicates a matter to be referred to Council

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 227000 or democratic.services@sevenoaks.gov.uk.

CABINET

Minutes of the meeting held on 23 January 2017 commencing at 10.00 am

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Firth, Hogarth and Piper

An apology for absence was received from Cllr. Scholey

Cllrs. Mrs. Hunter, McGarvey, Pett and Thornton were also present.

56. Minutes

Resolved: That the minutes of the meetings of Cabinet held on 1 December 2016, be approved and signed as a correct record.

57. Declarations of interest

There were no additional declarations of interest.

58. Questions from Members

There were none.

59. Matters referred from Council, Audit Committee, Scrutiny Committee or Cabinet Advisory Committees

There were none.

60. Budget Update

The Chief Finance Officer presented the report which set out progress made in preparing the 2017/18 budget and updated Members on key financial information.

The Chief Finance Officer explained that the Provisional Local Government Finance Settlement was announced on 15 December 2016 and had no material impact on the 10-year budget position, however it did change the New Homes Bonus assumptions. He set out that previously this had been based on cumulative figures for six years but this was being reduced to five years from 2017/18 and four years from 2018/19. He also explained that last year the Council had anticipated the 2018/19 change but not the 2017/18 change. In future New Homes Bonus would only be received on tax base growth above 0.4% instead of on all growth. It did not help fund the revenue budget but did support the Property Investment Strategy, therefore other sources could be required to fund part of the schemes

planned in 2017/18 and 2018/19. He indicated that as normal there would be a review of reserves as part of the budget process and that he would endeavour to reallocate funds to the Property Investment Strategy as part of this process.

It was further explained that the other items of note in the settlement were that the Business Rates Retention safety net level for the Council had increased very slightly and the Tariff Adjustment (negative Revenue Support Grant) which first appeared last year was still included in the calculations for 2019/20 but would be reconsidered as part of the Government's review of Business Rates Retention which had not yet been completed.

The other amendments to the budget were updating the Property Investment Strategy income, changing the Council Tax Base to reflect the next report and the three new growth and savings proposals shown in Appendix E (on page 23 of the report).

The Chief Finance Officer took Members through the growth and savings proposals in Appendix E. Members had asked officers to look at increasing Planning income and SCIA 4 related to pre-application charges. £20,000 of additional income was agreed at the last Cabinet and SCIA 4 increased that by £5,000 to £25,000. SCIA 27 increased the Planning application income budget by £5,000.

He explained that SCIA 28 was about an increase in Business Rates expenditure for the Council's properties. Nationally all properties subject to Business Rates had been revalued and on 20 December 2016 further information had been issued enabling the Council to calculate the Business Rates payable by the Council next year. The increase of £30,000 set out in the SCIA was due to car parking assessments going up nationally and this increase had partly been offset by a reduction in Business Rates for the Argyle Road building and Dunbriek depot.

The Chief Finance Officer set out that he was not expecting any further changes before the budget was finalised at Council in the next month and that the Council would once again have a balanced 10-year budget and be self-sufficient from direct government funding.

In respect of the updated SCIA 4 Members discussed the performance indicators set out in the report regarding the processing of planning applications.

Cabinet was due to make its final recommendation on the budget at its meeting on 9 February 2017, after taking into account any updated information available at that date.

Public Sector Equality Duty

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

Resolved: That the growth and savings proposals set out in the report, be agreed.

61. Calculation of Council Tax Base and other tax setting issues

The Principal Accountant presented the report which set out details of the calculation of the District's tax base for council tax setting purposes. These figures were used to determine tax rates for each of the council tax bands once the Council's budget requirement was known. The report also advised Members of the timetable for setting the 2017/18 council tax.

He stated that as part of the budget cycle the Council was required to calculate the council tax base of the district for tax setting purposes for the coming financial year and that the calculation had to be approved by Cabinet and Full Council. He explained that the tax base was determined by converting all property and occupancy data to the equivalent number of band D properties and that this figure was used to calculate the band D charge.

The report showed that the current tax base for 2016/17 was 48,895.68 and the tax base for 2017/18 would be 49,382.42, an increase of 1%. Apart from the increase in the number of dwellings, there was a fluctuation in the number of discounts granted each year.

A collection rate of 99.4% had been included which was the same as the rate used in 2016/17.

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 Council that

- a) the report of the Chief Finance Officer for the calculation of the Council's tax base for the year 2017/18 be approved;
- b) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2017/18 shall be 49,382.42;
- c) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2017/18 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,417.81
Badgers Mount	329.71
Brasted	772.34

Chevening	1,448.06
Chiddingstone	595.80
Cowden	406.15
Crockenhill	647.99
Dunton Green	1,116.66
Edenbridge	3,505.34
Eynsford	929.09
Farningham	650.57
Fawkham	284.48
Halstead	760.41
Hartley	2,527.05
Hever	599.88
Hextable	1,650.64
Horton Kirby & South Darent	1,292.20
Kemsing	1,824.29
Knockholt	619.36
Leigh	818.76
Otford	1,668.43
Penshurst	829.69
Riverhead	1,237.13
Seal	1,198.96
Sevenoaks Town	9,315.37
Sevenoaks Weald	619.66
Shoreham	682.88
Sundridge	924.22
Swanley	5,407.86
Westerham	1,979.25
West Kingsdown	2,322.38

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

THE MEETING WAS CONCLUDED AT 10.28 AM

CHAIRMAN

IMPLEMENTATION OF DECISIONS

This notice was published on 24 January 2017. The decision contained in Minute 60 takes effect immediately. The decision contained in Minute 61 is a reference to Council.

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BUDGET AND COUNCIL TAX SETTING 2017/18

Cabinet - 9 February 2017

Report of Chief Finance Officer
 Status: For Decision
 Also considered by: Council - 21 February 2017
 Key Decision: No

Executive Summary: The Council has an excellent track record in identifying, planning for and addressing financial challenges. In light of the challenging financial position facing all authorities six years ago, for 2011/12 the Council produced a 10-year budget together with a savings plan for the first time. This will be the seventh year this method has been used and provides the Council with a stable basis for future years.

This report sets out the proposed budget and required level of Council Tax for 2017/18.

The report proposes a net expenditure budget of £14.470m in 2017/18 (£13.689m in 2016/17). Subject to any further changes this would result in a Council Tax increase of 2.5% in 2017/18, with the District’s Council Tax being £202.77 for a Band D property for the year (£197.82 in 2016/17).

The report also contains details of the precepts received from other authorities; the Collection Fund position and an opinion on the robustness of the budget and the adequacy of the reserves.

Portfolio Holder Cllr. Scholey
Contact Officer(s) Adrian Rowbotham Ext. 7153
 Helen Martin Ext. 7483

Recommendation to Cabinet:

That recommendations (a) to (d) set out below be recommended to Council.

Recommendation to Council:

- (a) The Summary of Council Expenditure and Council Tax for 2017/18 set out in Appendix E be approved.
- (b) Approve the 10-year budget 2017/18 to 2026/27 which is the guiding

framework for the detailed approval of future years' budgets set out in Appendix B to the report, including the growth and savings proposals set out in Appendix C-D to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve: and

- (c) Approve the Capital Programme 2017/20 and funding method set out in Appendix H.
- (d) Approve the changes to reserves and provisions set out in Appendix I.
- (e) Due to their length and complexity, the further recommendations have been produced as a separate document (Appendix M).

Introduction and Background

- 1 The Council's financial strategy over the past twelve 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;
 - improving 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 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.
- 4 With the amount of Revenue Support Grant provided by Government continuing to reduce at a significant rate it is important that the council remains financially self-sufficient by having a balanced economy and a financial strategy that is focused on local solutions. These solutions include:
 - continuing to deliver financial savings and service efficiencies;
 - growing the council tax base; and
 - generating more income.

- 5 At the Cabinet meeting on 15 September 2016, Members considered a report setting out the Council's financial prospects for 2017/18 and beyond. That report set out the major financial pressures the Council is likely to face, together with a proposed strategy for setting a balanced and sustainable budget for 2017/18 and beyond.
- 6 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between September and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which were considered at the Cabinet meeting on 1 December 2016.
- 7 The report to Cabinet on 1 December 2016 also contained updates to the Financial Prospects report. An update report was presented to Cabinet on 23 January 2017 following the announcement of the Provisional Local Government Finance Settlement.
- 8 The adoption of the 10-year budget over the last six years has resulted in a much more stable budget position than had previously been achieved.
- 9 This report includes a number of attachments:
 - Appendix A - Budget timetable
 - Appendix B - 10-year budget;
 - Appendix C - Summary of the Council's agreed savings and growth items;
 - Appendix D - Summary of new growth and savings items proposed during the current budget process;
 - Appendix E - Summary of Council Expenditure and Council Tax;
 - Appendix F - Summary of service analysis in budget book format;
 - Appendix G - Analysis of pay costs;
 - Appendix H - Capital Programme 2017-20
 - Appendix I - Reserves
 - Appendix J - Risk analysis;
 - Appendix K - Latest information on precepting authorities (only in Council report)
 - Appendix L - Town and Parish Council precepts and council tax rates (only in Council report)

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- Appendix M - Council tax setting recommendations (only in Council report)
- Appendix N - Council tax rates across the district (only in Council report)

Financial Self-Sufficiency

- 10 The Council's Corporate Plan, introduced in 2013, set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 11 The decision to become financially self-sufficient is intended to give the Council greater control over its services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.
- 12 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 receiving no Revenue Support Grant from 2017/18.
- 13 The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus but does incorporate income from the Property Investment Strategy including the development of Sennocke and Bradbourne car parks.
- 14 It is intended that any funding received from New Homes Bonus will be put into the Financial Plan Reserve which can be used to support the 10-year budget by funding 'invest to save' initiatives and to support 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.
- 15 Cabinet are keen to remain financially self-sufficient and be ahead of the game. This will allow this Council 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.

Provisional Local Government Finance Settlement

- 16 ***The Provisional Local Government Finance Settlement*** for 2017/18 was announced on 15 December 2016. This included confirmation that this council was one of the 97% of councils that applied for the multi-year settlement that was offered last year. The grants included in this offer are:
 - Revenue Support Grant - nil in 2017/18 to 2019/20.
 - Transitional Grant - £123,000 in 2017/18, nil in 2018/19 to 2019/20.

- Rural Services Delivery Grant - nil in 2017/18 to 2019/20.

- 17 The Government has announced that the basis of **New Homes Bonus (NHB)** has been changed. Previously it was based on cumulative figures for 6 years but this is being reduced to 5 years from 2017/18 and 4 years from 2018/19. Also in future NHB will only be received on tax base growth above 0.4% instead of on all growth.

New Homes Bonus (estimated amounts)

2017/18	£1.756m
2018/19	£1.339m
2019/20	£1.284m

- 18 A reduction was previously assumed from 2018/19 but the latest announcement results in the reduction starting a year earlier. NHB is not used to fund the revenue budget but does support the Property Investment Strategy (PIS) therefore other funding sources may be required to fund future PIS schemes. The review of reserves section of this report addresses this issue.
- 19 **Locally Retained Business Rates** - The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received. However tariffs and top-ups are applied to ensure that the funding received by each local authority is not significantly different to pre 2013/14 amounts.
- 20 The Department for Communities and Local Government (DCLG) has undertaken a consultation called 'Self-sufficient local government: 100% Business Rates Retention'. The Government intends to introduce 100% Business Rates Retention to local government by the end of the current Parliament. It is expected that, at the same time, the Government will update the relative needs formulae (i.e. that determine the amount of resources that an authority will have if it collects at its Business Rates target) but this has not yet been announced.
- 21 The Tariff Adjustment (negative Revenue Support Grant) which first appeared last year is still currently included in the settlement details for 2019/20 but this will be re-looked by Government at as part of the wider Business Rates Retention changes.
- 22 Revised 'safety-net' amounts were included in the settlement which have been included in the attached 10-year budget. These are slightly higher than the amounts announced last year.

Business Rates Safety-Net

2017/18	£1.990m
2018/19	£2.055m
2019/20	£2.128m

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- 23 It is expected that the Government will issue a Final Local Government Finance Settlement for 2017/87 in early February 2017 and any changes that impact Sevenoaks District Council will be reported at the Council meeting.

Council Tax Support Funding for Town and Parish Councils

- 24 The Government introduced a change from Council Tax Benefit (CTB) to Council Tax Support (CTS) from 1 April 2013. CTB was fully reimbursed by Government but CTS is a Council Tax Discount (similar to the Single Person Discount) and local authorities now only receive the amount of Council Tax they collect.
- 25 To partly offset this, the Government gave a grant to Major Precepting Authorities (i.e. Sevenoaks District Council, Kent County Council, Fire and Police) in 2013/14 amounting to 90% of the CTB they had received in 2012/13. Town and Parish Councils were initially excluded from this but the Government later changed their mind and allocated an additional identifiable grant to billing authorities to pass on to Town and Parish Councils.
- 26 When allocating this additional grant for 2013/14, the Government pointed out that this may not continue in future years. Officers advised Town and Parish Councils that in view of the information published by Government it could not be certain that this additional funding would be paid in future years. This resulted in many Town and Parish Councils increasing their Council Tax Precept (as Town and Parish Councils do not have a referendum limit like Major Precepting Authorities) to offset the future likely loss of this funding stream.
- 27 When the Government announce the funding settlement each year they can show funding in the following three ways:
- a. Ring-fence an amount so that it has to be spent on a specific purpose or it has to be returned.
 - b. Highlight an amount for a specific purpose using a separate formula; this does not have to be spent on the specific purpose.
 - c. Revenue Support Grant - a formula based grant that can be used for any legal purpose.
- 28 In 2013/14 the additional funding for Town and Parish Councils was shown as a (b), in 2014/15, 2015/16 and 2016/17 it was within (c) and no specific amount for this purpose was shown.
- 29 As the additional funding for Town and Parish Councils was clearly identified in 2013/14, Sevenoaks District Council was early to commit to pay the full amount.
- 30 A report was presented to Council on 13 May 2014 requesting that members approve one of three options for 2014/15. Members decided not to pass on any funding to Town and Parish Councils for Council Tax Support in 2014/15. Members made the same decision for 2015/16 and 2016/17.

- 31 The Provisional Local Government Finance Settlement once again did not include a separate amount for major preceptors or Town and Parish Councils. As this council does not now receive any Revenue Support Grant there is no longer a decision required therefore no funding will be passed on.

Collection Fund Surplus/Deficit Calculation

- 32 Rules governing the operation of the collection fund require the Council to make an estimate on 15 January (or the next working day) each year of the fund's likely surplus or deficit at the end of the current financial year, in respect of council tax transactions. The amount so estimated is to be shared between the District Council, County Council, Fire and Police in proportion to their precepts on the collection fund. Each authority's share is to be taken into account by the authority in calculating its council tax for the year following the year in which the surplus or deficit has been estimated.
- 32 The estimated surplus at 15 January 2016 was £1,967,800 whilst the actual surplus balance at 31 March 2016 was £1,972,100. The balance is relatively small in the context of the gross council tax collectible during 2015/16 of nearly £77m. It came about following a review of the bad debt provision once the council tax support scheme (which replaced council tax benefit) had been operating for two years.
- 33 The calculation at 16 January 2017 estimates a likely surplus or deficit balance on the collection fund at 31 March 2017. This is based on the tax bills issued for the year, current collection performance and the level of bad debt provision held.
- 34 The overall estimated balance at 31 March 2017 is zero, meaning that there is no apportionment required between District, County Fire and Police.

Current Budget Position

- 35 There are no changes to the budget position since the report to Cabinet on 23 January 2017.
- 36 The total impact of the new growth and savings items, together with the increased Council Tax assumption, Council Tax Base changes and small increase to the Business Rates Safety Net amount result in a net saving of £100,000 per annum as assumed in the 10-year budget.
- 37 When the 10-year budget was agreed by Council in February 2016, an annual savings/additional income assumption of £100,000 was included. This assumption remains in all years of the 10-year budget.
- 38 The 10-year budget (Appendix B) shows a fully funded 10-year position. By continuing to use the 10-year budget strategy, this council remains in a strong position going forward.

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2017/18 Budget and Council Tax

- 39 After allowing for the growth and savings agreed and the key changes made during this budget process, the resulting net expenditure for 2017/18 is £14.470m. As shown in Appendix E this results in Council Tax income of £10.013m, meaning that the District element of the Band D charge will be £202.77.
- 40 When the other preceptors announce their increases, details will be included in Appendix K.

Capital Programme

- 41 A report setting out the proposed 2017/20 Capital Programme, with supporting documentation in a standard format for individual scheme bids was presented to the Finance Advisory Committee on 31 January 2017 and Cabinet on 9 February 2017.
- 42 Scheme bid documents were received for all new schemes which included the proposed funding methods.
- 43 Unspent budgets in the current year's programme (2016/17) can be carried forward to 2017/18, subject to Cabinet approval, when the outturn is known.
- 44 Appendix H summarises the position if all schemes are approved, and indicates the funding method proposed.
- 45 Council will be informed at the meeting of any changes recommended by Cabinet.

Integration with other budget reports on the Cabinet Agenda

- 46 A separate report on the Treasury Management Strategy is being presented to Cabinet and Council. The attached revenue budgets take into account the recommendations and revenue implications set out in this report as well as the Capital Programme.

Opinion under the Local Government Act 2003 (LGA 2003)

- 47 Under the LGA 2003 the Statutory Finance Officer (Chief Finance Officer) is required to give Members an opinion on the robustness of the budget estimates and the adequacy of reserves.
- 48 In terms of the robustness of the budget, the following sources of assurance were taken into account:
- The Strategic Business and Financial Planning process used for the 2017/18 budget.

- The Financial Strategy, including a 10-year Budget, clear financial objectives, sensitivity analysis and the savings package.
- Growth and savings suggestions proposed.
- The strong financial control structure and effective performance management within the Council, confirmed by feedback from external auditors.
- Clear budget responsibilities at individual officer level.
- Effective monitoring regime giving early notification of potential financial issues through the use of the Finance Advisory Committee.
- Effective Internal/External audit system, with risk-based audits, reporting through the Audit Committee.
- Set aside of earmarked funds for potential liabilities in the medium term.
- Effective strategic and operational risk management.

49 As is the case every year, inevitably there are a number of risk factors within the 2017/18 budget proposals; these are set out in some detail in Appendix J. This Appendix was also considered by the Finance Advisory Committee on 31 January 2017. Some of the more significant items are set out below.

a) Pay costs

Pay costs are budgeted on 100% basis, with a 1% inflationary pay award assumption included and with a separate vacancy saving target. With controls over the appointment of any staff and monitoring of staff numbers as well as costs, pay costs are subject to a high level of control.

b) Income

In-depth monitoring of income budgets will continue throughout the year and will be given regular consideration by the Finance Advisory Committee.

c) Pensions funding

The next actuarial valuation will take effect from 2020/21 and an increase assumption has been included in the 10-year budget from then.

d) Investment receipts

Interest receipts have remained low in 2016/17 and are not expected to increase in the near future. The Treasury Management Strategy

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will be kept under review and brought back to Members for consideration as necessary during the year. The proposed Strategy for 2017/18 is reported separately on this Agenda.

e) Capital investment

Property Investment Strategy income is included in the 10-year budget. Members are assured that any property acquisitions will be supported by a thorough business case and approved by the relevant Portfolio Holders.

f) Growth

The 10-year budget has no allowance for growth as it is anticipated that where possible this will be met through additional savings or the Budget Stabilisation Reserve.

- 50 Members will recognise that budget risk cannot be avoided completely. However, the structures already in place and the actions being put in place should ensure that next year's overall revenue spend figure is achieved, particularly through the Council's flexible approach to budgeting allowing the risk areas to be compensated by those that are underspent or over achieve on income.

Adequacy of Reserves

- 51 Ensuring the adequacy and sustainability of the Council's reserves continues to be a key part of the budget process. Individual balances have been reviewed as part of writing this report and the detailed work is set out in Appendix I. This review should ensure that all provisions and earmarked reserves are adequate for their purposes.
- 52 It is recommended that the Council hold a minimum General Fund reserve balance of 10% of its net Revenue Budget, for emergencies.
- 53 The strong formal advice of the Section 151 officer to the Council is that every effort must be made to achieve the agreed savings plan in order to ensure financial sustainability and preserve the level of reserves for future commitments. The Council should avoid, at all costs, the General Fund Reserve balance reducing below 10% of its Net Service Expenditure (for 2017/18 this equates to £1.45m).

Referendums relating to council tax increases

- 54 Section 72 of the Localism Act 2011 inserted Section 52ZB into the Local Government Finance Act 1992. This sets out the duty on local authorities, fire authorities and Police and Crime Commissioners (PCCs) to each determine whether the amount of council tax they plan to raise for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum apply.

- 55 The Secretary of State has published draft thresholds in relation to 2017/18 council tax levels. The Government proposes to set an average annual threshold of 4% over three years for local authorities with social care responsibilities. District councils will be allowed a Band D council tax increase of the higher of 2% or £5. This council is therefore able to increase Band D council tax by up to £5 without requiring a referendum. As in previous years, no equivalent principles are being proposed for Town and Parish Councils although the Government has said that they will keep this under review and take action if necessary.

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. The budget risk analysis is included as Appendix J.

Current and future pressures were included in the Service Dashboards presented to the Advisory Committees and each Service Change Impact Assessment (SCIA) included the likely impacts including a risk analysis.

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

The risks associated with the 10-year budget approach include uncertainty around the future Business Rates Retention scheme. The risk will be mitigated by continuing to review assumptions and estimates and by updating Members throughout the process.

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

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.

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Individual equalities assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent. These were included in the Budget Update 2017/18 reports to Cabinet on 1 December 2016 and 23 January 2017.

Community Impact and Outcomes

In making any budget proposals, Members need to consider the impact on customers, service quality and staff well-being, to ensure that the budget supports the Council's aspirations for customer-focused services.

Conclusions

The budget process has once again been a major financial challenge for a council that already provides value for money services to a high standard. The 10-year budget shows a fully funded position over the whole period which keeps this council in a strong position going forward.

The future financial prospects for the public sector are increasingly difficult, however, this budget ensures the Council remains in a financially sustainable position.

If the council tax resolution attached in Appendix M is approved, the Sevenoaks District Council element of the band D council tax will be £202.77.

Appendices

Appendix A - Budget timetable

Appendix B - 10-year budget

Appendix C - Summary of the Council's agreed savings and growth items

Appendix D - Summary of new growth and savings items proposed during the current budget process

Appendix E - Summary of Council Expenditure and Council Tax

Appendix F - Summary of service analysis in budget book format

Appendix G - Analysis of pay costs

Appendix H - Capital Programme 2017-20 (also being considered by Finance Advisory Committee on 31 January 2017)

Appendix I - Reserves

Appendix J - Risk analysis (also being considered by Finance Advisory Committee on 31 January 2017)

Appendix K - Latest information on precepting authorities (only in Council report)

Appendix L - Town and Parish Council precepts and council tax rates (only in Council report)

Appendix M - Council tax setting recommendations (only in Council report)

Appendix N - Council tax rates across the district (only in Council report)

Background Papers:

Report to Cabinet 16 February 2016 - Budget and Council Tax Setting 2016/17

Report to Cabinet 15 September 2016 - Financial Prospects and Budget Strategy 2017/18 and Beyond

Report to Planning Advisory Committee 22 September 2016, Housing and Health Advisory Committee 4 October 2016, Policy and Performance Advisory Committee 6 October 2016, Economic and Community Development Advisory Committee 11 October 2016, Legal and Democratic Services Advisory Committee 18 October 2016, Direct and Trading Advisory Committee 1 November 2016, Finance Advisory Committee 15 November 2016 - Budget 2017/18: Service Dashboards and Service Change Impact Assessments (SCIAs)

Report to Cabinet 1 December 2016 - Budget Update 2017/18

Report to Cabinet on 23 January 2017 - Budget Update 2017/18

**Adrian Rowbotham
Chief Finance Officer**

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2017/18 Budget Setting Timetable

	Date	Committee
Stage 1		
Financial Prospects and Budget Strategy 2017/18 and Beyond	6 September	Finance AC
	15 September	Cabinet
↓		
Stage 2		
Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	22 September	Planning AC
	4 October	Housing & Health AC
	6 October	Policy & Performance AC
	11 October	Economic & Comm. Dev. AC
	18 October	Legal & Dem. Svs AC
	1 November	Direct & Trading AC
	15 November	Finance AC
↓		
Stage 3		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	1 December	Cabinet
↓		
Stage 4		
Budget Update (incl. Government Settlement information)	12 January (postponed) 23 January	Cabinet
↓		
Stage 5		
<i>Budget Update and further review of Service Change Impact Assessments (if required)</i>	<i>January - February</i>	<i>Advisory Committees</i>
↓		
Stage 6		
Budget Setting Meeting (Recommendations to Council)	9 February	Cabinet
↓		
Stage 7		
Budget Setting Meeting (incl. Council Tax setting)	21 February	Council

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

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Ten Year Budget - Revenue

	Budget 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	Plan 2026/27
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	14,253	13,689	14,470	14,556	14,705	15,200	15,558	15,908	16,265	16,627	16,994
Inflation	569	494	611	435	627	443	450	457	462	467	471
Superannuation Fund deficit and staff recruitment & retention	(721)	300	0	0	200	0	0	0	0	0	0
Net savings (approved in previous years)	(412)	(134)	(271)	(186)	(187)	15	0	0	0	0	0
New growth	0	331	0	0	(45)	0	0	0	0	0	0
New savings/Income	0	(210)	(254)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	13,689	14,470	14,556	14,705	15,200	15,558	15,908	16,265	16,627	16,994	17,365
Financing Sources											
Government Support											
: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(9,672)	(10,013)	(10,333)	(10,661)	(10,998)	(11,345)	(11,701)	(12,066)	(12,442)	(12,828)	(13,224)
Locally Retained Business Rates	(1,951)	(1,990)	(2,055)	(2,128)	(2,171)	(2,214)	(2,258)	(2,303)	(2,349)	(2,396)	(2,444)
Collection Fund Surplus	(333)	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(250)	(130)	(130)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Property Investment Strategy Income	(500)	(500)	(735)	(1,185)	(1,185)	(1,185)	(1,185)	(1,285)	(1,329)	(1,329)	(1,529)
Contributions to/(from) Reserves	100	(353)	(353)	(353)	(353)	(353)	(179)	(179)	(635)	148	148
Total Financing	(12,606)	(12,986)	(13,606)	(14,577)	(14,957)	(15,347)	(15,573)	(16,083)	(17,005)	(16,655)	(17,299)
Budget Gap (surplus)/deficit	1,083	1,484	950	128	243	211	335	182	(378)	339	66
Contribution to/(from) Stabilisation Reserve	(1,083)	(1,484)	(950)	(128)	(243)	(211)	(335)	(182)	378	(339)	(66)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

Assumptions	
Revenue Support Grant:	nil all years
Locally Retained Business Rates:	2% all years
Council Tax:	2.5% in 17/18, 2% in later years
Interest Receipts:	£130,000 in 17/18 - 18/19, £250,000 in later years
Property Inv. Strategy:	£500,000 from 16/17, £735,000 from 18/19, £835,000 from 23/24, £1.035m from 26/27 onwards. Sennocke Hotel income included from 2019/20.
Pay award:	1% in 16/17 - 19/20, 2% in later years
Other costs:	2.25% in all years
Income:	2.5% in all years

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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	2017/18 £000	Later Years £000	Total £000
Year	No.										
Direct and Trading Advisory Committee											
2016/17	8	Playgrounds: Reduction in asset maintenance (reversal of temporary saving item)								7	
2016/17	9	Public Conveniences: Reduction in asset maintenance (reversal of temporary saving item)								8	
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)								(30)	
Finance Advisory Committee											
2011/12	62,63	Staff terms and conditions - savings agreed by Council 18/10/11							(162)	(674)	
2015/16	10	External Audit fee reduction (reversal of temporary saving item)								30	
Housing and Health Advisory Committee											
No savings or growth agreed from 2017/18 onwards											
Legal and Democratic Services Advisory Committee											
No savings or growth agreed from 2017/18 onwards											
Planning Advisory Committee											
No savings or growth agreed from 2017/18 onwards											
Policy and Performance Advisory Committee											
2016/17	1	Ec. Dev. & Property: Staffing levels made permanent							28	30	
Total Savings			(2,984)	(841)	(314)	(479)	(533)	(721)	(162)	(599)	(6,633)
Total Growth			371	45	50	327	177	309	28	(30)	1,277
Net Savings			(2,613)	(796)	(264)	(152)	(356)	(412)	(134)	(629)	(5,356)

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Growth and Savings Proposals

SCIA Year	Advisory Committee No.	Description	Year	Ongoing	2017/18	10-year
					Impact £000	Budget Impact £000
Growth						
2017/18	1	PAC	Building Control: Reduction in budgeted income	2017/18	yes	39 390
2017/18	6	HHAC	HERO service	2017/18	yes	35 350
2017/18	8	PPAC	Increase in website support costs	2017/18	yes	39 390
2017/18	9	PPAC	Increase in IT resource	2017/18	yes	50 500
2017/18	10	PPAC	Apprenticeship levy	2017/18	3 years	45 135
2017/18	15	ECDAC	Sevenoaks DC Business Prospectus	2017/18	yes	5 50
2017/18	16	LDSAC	Increase in contribution to District Elections	2017/18	yes	22 220
2017/18	17	LDSAC	Resourcing of Electoral Services	2017/18	yes	60 600
2017/18	22	FAC	Procurement: electronic software	2017/18	yes	6 60
2017/18	28	DTSAC	Car Parks: Business Rates	2017/18	yes	30 300
Sub Total						331 2,995
Savings						
2017/18	4	PAC	Development Management: Revise pre-application charges	2017/18	yes	(25) (250)
2017/18	5	PAC	Development Management: Training	2017/18	yes	(4) (40)
2017/18	7	HHAC	Sencio management fee	2017/18	yes	(44) (440)
2017/18	11	PPAC	Swanley contract	2018/19	yes	0 (225)
2017/18	12	PPAC	Customer Service resource	2018/19	yes	0 (225)
2017/18	13	PPAC	Review of training budgets	2017/18	yes	(15) (150)
2017/18	14	PPAC	Consultancy	2017/18	yes	(18) (180)
2017/18	18	LDSAC	Licensing - fourth partner joining partnership	2017/18	yes	(15) (150)
2017/18	19	DTSAC	Asset Maintenance - Car Parks	2017/18	yes	(19) (190)
2017/18	20	DTSAC	Direct Services: increase in net surplus	2017/18	yes	(30) (300)
2017/18	21	DTSAC	Environmental Health: Income generation	2017/18	yes	(4) (40)
2017/18	23	FAC	Partnership work covered within existing resources	2017/18	yes	(5) (50)
2017/18	24	FAC	Audit fees	2017/18	yes	(17) (170)
2017/18	25	FAC	Internal Enforcement Agents for Local Tax recovery	2018/19	yes	0 (936)
2017/18	26	FAC	Council Tax: stopping paper based single person discount reviews	2017/18	yes	(9) (90)
2017/18	27	PAC	Development Management: Planning application income	2017/18	yes	(5) (50)
Sub Total						(210) (3,486)
Net Savings Total						121 (491) a

a: £49,000 average net saving per annum

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Summary of Council Expenditure & Council Tax

	2016/17 Budget Net Expenditure £000	2017/18 Budget Net Expenditure £000
Service expenditure before Support Services and Capital Charges including trading accounts (see Appendix F)	13,914	14,701
Capital Charges and Support Services charged outside the General Fund	(225)	(231)
Sub Total	<u>13,689</u>	<u>14,470</u>
Non allocated expenditure: Collection Fund adjustment	<u>0</u>	<u>0</u>
Net Service Expenditure excluding capital charges	13,689	14,470
Revenue Support Grant inc CTS	0	0
Retained Business Rates	(1,951)	(1,990)
New Homes Bonus	0	0
Council Tax Requirement - Sevenoaks DC	(9,672)	(10,013)
Collection Fund Surplus	(333)	0
Grant & Council Tax income	<u>(11,956)</u>	<u>(12,003)</u>
Net Expenditure after Grant & Council Tax, before interest	1,733	2,467
Less: Interest and Investment income	(250)	(130)
Less: Property Investment Strategy Income	(500)	(500)
Amount to be met from Reserves	<u>983</u>	<u>1,837</u>
Contributions (to) / from reserves		
Earmarked Reserves		
Capital	(148)	(148)
Budget Stabilisation	1,083	1,484
New Homes Bonus Reserve	(120)	0
Financial Plan	501	501
Corporate Project Support	(333)	0
Planned contribution from General Fund Reserve	<u>0</u>	<u>0</u>
	<u>983</u>	<u>1,837</u>

	2015/16	2016/17	2017/18	
Taxbase	48,209	48,896	49,382	
	£	£	£	
Council Tax @ Band D	192.87	197.82	202.77	
Council Tax Summary				
Band D charge			%	%
Kent County	1,089.99	1,133.55	69.4	
Kent Fire	70.65	72.00	4.4	
Kent Police	147.15	152.15	9.3	
	<u>1,307.79</u>	<u>1,357.70</u>	<u>83.1</u>	<u>0.00</u>
Sevenoaks District	192.87	197.82	12.1	0.0
Average Town/Parish	73.95	78.08	4.8	
	<u>1,574.61</u>	<u>1,633.60</u>	<u>100.0</u>	<u>0.00</u>

Interest Receipts Summary

Investment interest	277	157
Mortgage and other interest	0	0
Allocations to Provisions	(27)	(27)
Net Revenue contribution	<u>250</u>	<u>130</u>

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	17/18
Summary	£'000	£'000	£'000
Communities & Business	1,377	1,359	1,500
Corporate Services	2,482	2,643	2,845
Environmental & Operational Services	4,311	4,459	4,620
Financial Services	4,987	4,228	4,520
Planning Services	1,306	1,317	1,330
	<hr/>		
	14,464	14,006	14,815
Direct Services		(92)	(114)
Items outside General Fund		(225)	(231)
		<hr/>	
		13,689	14,470
		<hr/> <hr/>	

	Actuals	Budget	Draft
	15/16	16/17	Budget
Summary	£'000	£'000	17/18
			£'000
Pay Costs	10,221	11,142	11,848
Premises and Grounds	1,741	1,572	1,612
Transport	59	54	57
Supplies & Services	2,561	2,149	2,258
Supplies & Services IT	802	850	914
Agency & Contracted	4,662	3,442	3,540
Agency & Contracted - Partnerships	3,828	3,021	3,074
Agency & Contracted - Direct Services	3,753	3,914	4,031
Transfer Payments - Benefits	28,098	29,590	28,090
Transfer Payments - Other	134	38	39
Support Services	104	51	51
Funds drawn to/from Reserves	422	(64)	(310)
Income - Other	(31,154)	(32,029)	(30,498)
Income - Fees and Charges	(7,053)	(6,226)	(6,338)
Recharges	(269)	(281)	(282)
Recharges - Partnerships	(3,446)	(3,217)	(3,270)

Service expenditure before re-allocation of Support Services and Capital charges

14,464 14,006 14,815

Direct Services (net)

(92) (114)

Items outside General Fund

(225) (231)

13,689 14,470

Analysis of budget changes between 16/17 and 17/18

Base Budget 2016/17

13,689

Inflation

494

Superannuation Fund deficit

300

Other Items in Financial Plan

Net Savings agreed previous years

(134)

New Growth

331

New savings/income

(210)

Other adjustments

0

Draft Budget 2017/18

14,470

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	Budget
	£'000	£'000	17/18
			£'000
Communities & Business			
All Weather Pitch	(5)	(5)	(5)
Broadband	0	0	0
Business Area Improvement Fund	0	0	0
Community Safety	172	181	183
Community Development Service Provisions	(5)	(5)	(5)
The Community Plan	48	52	53
Dunton Green Projects - S106	0	0	0
Dunton Green Projects	0	0	0
Economic Development	49	53	55
Economic Development Property	223	214	269
Grants to Organisations	184	184	183
Health Improvements	34	30	42
Healthy Living Centre	0	0	0
Healthy Lifestyles (SDC)	0	0	0
Homeless	83	82	152
Housing	256	228	191
Housing Initiatives	5	6	52
Homelessness Prevention	0	0	0
Housing Energy Retraining Options (HERO)	0	0	35
Leisure Contract	207	224	183
Leisure Development	20	20	20
Partnership - Home Office	0	0	0
Administrative Expenses - Communities & Business	13	15	25
Administrative Expenses - Housing	17	18	0
Tourism	31	30	31
Choosing Health WK PCT	0	0	0
Community Sports Activation Fund	0	0	0
Falls Prevention	0	0	0
Repair & Renew Flood Support Scheme	(2)	0	0
PCT Health Checks	0	0	0
Homelessness Funding	0	0	0
Leader Programme	10	6	5
New Ash Green	0	0	0
PCT Initiatives	0	0	0
Sportivate Inclusive Archery Project	0	0	0
Troubled Families Project	0	0	0
West Kent Partnership	0	0	0
West Kent Partnership Business Support	0	0	0
Youth	36	28	31
Total Service Expenditure	1,377	1,359	1,500

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	Budget
	£'000	£'000	17/18
			£'000
Communities & Business			
Pay Costs	924	1,082	1,265
Premises and Grounds	14	0	0
Transport	7	8	8
Supplies & Services	149	145	146
Supplies & Services IT	4	0	0
Agency & Contracted	789	491	454
Transfer Payments - Other	33	38	39
Funds drawn to/from Reserves	(31)	20	(76)
Income - Other	(380)	(240)	(159)
Income - Fees and Charges	(132)	(185)	(177)
Recharges	0	0	0
Total Service Expenditure	1,377	1,359	1,500

Analysis of budget changes between 16/17 and 17/18

Base Budget 2016/17	1,359
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	51
Planned Savings agreed previous years	
SCIA 01 (16/17) Economic Development & Property Staffing levels made permanent	28
SCIAs 2017/18	
SCIA 06 HERO Service	35
SCIA 07 Sencio Management fee	(44)
SCIA 15 Business Prospectus	5
Other Adjustments	66
Draft Budget 2017/18	1,500

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	17/18
	£'000	£'000	£'000
Corporate Services			
Asset Maintenance IT	263	269	275
Civic Expenses	16	16	16
Corporate Projects	10	34	93
Democratic Services	126	129	138
Elections	81	80	121
Land Charges	(94)	(149)	(147)
Register of Electors	162	184	253
Administrative Expenses - Corporate Services	22	24	25
Administrative Expenses - Legal and Democratic	58	49	50
Administrative Expenses - Human Resources	22	10	10
Street Naming	(2)	15	5
Support - Contact Centre	399	453	436
Support - General Admin	23	36	37
Support - IT	871	940	1,002
Support - Legal Function	178	250	210
Support - Local Offices	59	57	57
Support - Nursery	3	0	0
Support - Human Resources	285	247	264
Website	0	0	0
Total Service Expenditure	2,482	2,643	2,845

Net Service Expenditure analysed by Chief Officer

	Actuals 15/16 £'000	Budget 16/17 £'000	Draft Budget 17/18 £'000
Corporate Services			
Pay Costs	1,560	1,801	2,047
Premises and Grounds	27	3	3
Transport	7	1	1
Supplies & Services	482	279	271
Supplies & Services IT	634	738	754
Agency & Contracted	502	169	182
Agency & Contracted - Direct Services	4	11	11
Transfer Payments - Other	3	0	0
Funds drawn to/from Reserves	(89)	20	(37)
Income - Other	(260)	0	0
Income - Fees and Charges	(264)	(294)	(301)
Recharges	(34)	(31)	(31)
Recharges - Partnerships	(91)	(54)	(54)
Total Service Expenditure	2,482	2,643	2,845

Analysis of budget changes between 16/17 and 17/18

Base Budget 2016/17	2,643
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	85
Planned Savings agreed previous years	
SCIAs 2017/18	
SCIA 09 Increased IT costs	50
SCIA 13 Review of Training Budget	(15)
SCIA 16 Increased contribution to district council elections	22
SCIA 17 Electoral Services	60
SCIA 28 Business Rates (part)	(1)
Other Adjustments	1
Draft Budget 2017/18	2,845

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	Budget
	£'000	£'000	17/18
			£'000
Environmental & Operational Services			
Asset Maintenance Argyle Road	60	70	72
Asset Maintenance Car Parks	36	19	0
Asset Maintenance CCTV	17	17	17
Asset Maintenance Countryside	5	8	8
Asset Maintenance Other Corporate Properties	17	31	32
Asset Maintenance Direct Services	24	37	38
Asset Maintenance Hever Road	27	36	37
Asset Maintenance Leisure	135	171	174
Asset Maintenance Playgrounds	1	8	8
Asset Maintenance Support & Salaries	81	93	99
Asset Maintenance Sewage Treatment Plants	3	8	8
Asset Maintenance Public Toilets	1	7	7
Bus Station	17	15	17
Car Parks	(1,735)	(1,840)	(1,870)
CCTV	260	243	250
Civil Protection	30	38	50
Dartford Environmental Hub (SDC Costs)	0	0	0
Car Parking - On Street	(467)	(446)	(470)
EH Commercial	258	279	283
EH Animal Control	21	1	1
EH Environmental Protection	338	366	371
Emergency	61	66	65
Energy Efficiency	25	33	29
Estates Management - Buildings	(56)	(21)	(21)
Estates Management - Grounds	125	102	110
Gypsy Sites	(33)	(31)	(20)
Disabled Facilities Grant Administration	0	(20)	(20)
Housing	0	0	0
Housing Premises	3	(0)	0
Kent Resource Partnership	0	0	0
Licensing Partnership Hub (Trading)	(4)	0	0
Licensing Regime	(1)	7	(4)
Markets	(182)	(187)	(185)
Parks and Recreation Grounds	106	101	114
Parks - Rural	162	109	114
Private Sector Housing	205	175	196
Public Transport Support	0	0	0
Refuse Collection	2,483	2,504	2,562
Administrative Expenses - Direct Services	(0)	0	0
Administrative Expenses - Health	7	21	21
Administrative Expenses - Property	2	4	4
Administrative Expenses - Transport	5	8	8
Street Cleansing	1,259	1,335	1,374

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Budget
	15/16	16/17	17/18
	£'000	£'000	£'000
Environmental & Operational Services			
Support - Central Offices	395	426	433
Support - Central Offices - Facilities	257	240	266
Support - General Admin	262	284	278
Support - Health and Safety	16	19	21
Support - Direct Services	41	56	57
Support - Procurement	0	0	6
Support - Property Function	19	37	42
Sevenoaks Switch and Save	0	0	0
Taxis	(29)	(13)	(7)
Public Conveniences	57	45	45
Air Quality (Ext Funded)	0	0	0
Total Service Expenditure	4,312	4,459	4,620

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	17/18
	£'000	£'000	£'000
Environmental & Operational Services			
Pay Costs	2,626	2,805	2,946
Premises and Grounds	1,683	1,552	1,592
Transport	38	39	40
Supplies & Services	894	690	706
Supplies & Services IT	28	0	6
Agency & Contracted	493	593	599
Agency & Contracted - Partnerships	708	745	749
Agency & Contracted - Direct Services	3,749	3,904	4,019
Transfer Payments - Other	40	0	0
Support Services	50	51	51
Funds drawn to/from Reserves	(62)	0	0
Income - Other	(1,013)	(1,163)	(1,237)
Income - Fees and Charges	(4,491)	(3,916)	(4,006)
Recharges	(45)	(38)	(38)
Recharges - Partnerships	(386)	(804)	(808)
Total Service Expenditure	4,311	4,459	4,620

Analysis of budget changes between 16/17 and 17/18

Base Budget 2016/17	4,459
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	170
Planned Savings agreed previous years	-
SCIAs 2017/18	
SCIA 18 Licensing 4th Partner	(15)
SCIA 19 Asset Maintenance Car Parks	(19)
SCIA 21 Environmental Health Income Generation	(4)
SCIA 22 Procurement - Electronic Software	6
SCIA 28 Business Rates - mainly car parks	31
Other Adjustments	(8)
Draft Budget 2017/18	4,620

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	Budget
	£'000	£'000	17/18
			£'000
Financial Services			
Action and Development	3	7	7
Benefits Admin	876	787	181
Benefits Grants	(659)	(659)	(25)
Consultation and Surveys	4	4	4
Corporate Management	985	950	970
Corporate - Other	0	(157)	136
Dartford Partnership Hub (SDC costs)	0	0	0
Equalities Legislation	14	18	19
External Communications	143	153	196
Housing Advances	1	1	1
Local Tax	98	48	93
Members	400	427	428
Misc. Finance	2,452	1,802	1,689
Performance Improvement	1	(1)	(1)
Administrative Expenses - Chief Executive	10	29	30
Administrative Expenses - Finance	37	34	35
Administrative Expenses - Transformation and Strateg	6	5	5
Support - Counter Fraud	0	92	54
Support - Audit Function	162	177	177
Support - Exchequer and Procurement	132	137	105
Support - Finance Function	139	150	193
Support - General Admin	69	109	110
Treasury Management	118	114	113
Total Service Expenditure	4,988	4,229	4,520

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	Budget
	£'000	£'000	17/18
			£'000
Financial Services			
Pay Costs	2,911	3,103	3,174
Premises and Grounds	17	16	16
Transport	6	5	7
Supplies & Services	950	954	1,045
Supplies & Services IT	129	110	152
Agency & Contracted	2,722	2,085	2,199
Agency & Contracted - Partnerships	2,835	1,971	1,993
Transfer Payments - Benefits	28,098	29,590	28,090
Support Services	54	0	0
Funds drawn to/from Reserves	520	(180)	(217)
Income - Other	(29,496)	(30,625)	(29,102)
Income - Fees and Charges	(656)	(561)	(575)
Recharges	(191)	(192)	(192)
Recharges - Partnerships	(2,911)	(2,047)	(2,069)
Total Service Expenditure	4,987	4,229	4,520

Analysis of budget changes between 16/17 and 17/18

Base Budget 2016/17	4,229
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	264
Planned Savings agreed previous years	0
SCIAs 2017/18	
SCIA 10 Apprenticeship Levy	45
SCIA 14 Consultancy	(18)
SCIA 22 Partnership work covered within existing resources	(5)
SCIA 24 Audit fees	(17)
SCIA 26 Council Tax - stop paper based single person discount reviews	(9)
Other Adjustments	(8)
Draft Budget 2017/18	4,481

Net Service Expenditure analysed by Chief Officer

	Actuals	Budget	Draft
	15/16	16/17	Budget
	£'000	£'000	17/18
			£'000
Planning Services			
Building Control Discretionary Work	(8)	(9)	(9)
Building Control Partnership Hub (SDC Costs)	0	0	0
Building Control	(84)	(128)	(98)
Conservation	53	48	49
Dangerous Structures	8	10	3
Housing (i)	176	146	0
Needs and Stock Surveys (i)	0	0	0
Planning Policy (i)	407	458	571
LDF Expenditure	0	0	0
Planning - Appeals	197	193	197
Planning - CIL Administration	0	(50)	(50)
Planning - Counter	0	0	0
Planning - Development Management	251	322	329
Planning - Enforcement	257	282	286
Fort Halstead	1	0	0
Administrative Expenses - Building Control	6	9	10
Administrative Expenses - Planning Services	42	35	43
Total Service Expenditure	1,306	1,317	1,330
(i) Budgets consolidated			

Net Service Expenditure analysed by Chief Officer

	Actuals 15/16 £'000	Budget 16/17 £'000	Draft Budget 17/18 £'000
Planning Services			
Pay Costs	2,200	2,350	2,416
Premises and Grounds	0	1	1
Transport	1	1	1
Supplies & Services	86	81	91
Supplies & Services IT	6	2	2
Agency & Contracted	157	104	106
Agency & Contracted - Partnerships	286	305	331
Transfer Payments - Other	1	0	0
Funds drawn to/from Reserves	84	76	20
Income - Other	(5)	0	0
Income - Fees and Charges	(1,452)	(1,270)	(1,279)
Recharges	0	(20)	(21)
Recharges - Partnerships	(58)	(312)	(339)
Total Service Expenditure	<u>1,306</u>	<u>1,317</u>	<u>1,330</u>

Analysis of budget changes between 16/17 and 17/18

Base Budget 2016/17	1,317
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	54
Planned Savings agreed previous years	0
SCIAs 2017/18	
SCIA 01 Building Control Reduction in budgeted income	39
SCIA 04 Revision to Pre-application charges	(25)
SCIA 05 Training	(4)
SCIA 27 Planning Application Income	(5)
Other Adjustments	(46)
Draft Budget 2017/18	<u>1,330</u>

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PAY COST ESTIMATES SUMMARY 2017/2018

Line No.		2016/17 BUDGET	2017/18 BUDGET	2016/17 FTE	2017/18 FTE
1	Communities and Business	833,190	971,033	17.07	20.35
2	Corporate Services	2,046,119	2,293,926	56.30	61.92
3a	Environmental Health	629,203	640,567	12.18	12.18
3b	Licensing	299,869	357,021	8.62	10.81
3c	Operational Services	607,753	621,835	13.99	13.99
3d	Operational Services (TASK)	2,858,125	2,965,610	90.56	94.17
3e	Parking & Amenity Services	428,244	439,983	12.00	12.00
3f	Property Services	717,635	737,921	19.48	19.48
4	Finance	2,747,497	2,834,956	67.40	68.61
5a	Planning	1,997,592	2,114,602	47.18	48.59
5b	Building Control	299,326	315,796	7.00	7.00
		13,464,553	14,293,250	351.78	369.10
	Other Salary Costs				
6	Vacancy Savings	(138,009)	(141,588)	0.00	0.00
	SUB-TOTAL	13,326,544	14,151,662	351.78	369.10
7	Communities & Business (Ext Funded)	411,804	381,991	11.24	10.50
8	Operational Services (Ext Funded)	100,674	107,096	2.00	2.00
9	Property Services (Ext Funded)	53,269	56,535	1.50	1.50
	GRAND TOTAL	13,892,291	14,697,284	366.52	383.10

NOTES

1) Externally funded posts (lines 7 to 9) have been excluded from earlier lines. The income will show elsewhere in the 2017/18 budget

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Capital Programme 2017-20

Chief Officer/Scheme	Funding Source	2016/17		2017/18 £000	2018/19 £000	2019/20 £000	TOTAL SCHEME COST £000
		Budget (i) £000	Forecast £000				
		Communities and Business	Parish projects				
Environmental and Operational Services	Dunbrik Vehicle Workshop	117	117	-	-	-	117
	Dunbrik Vehicle Workshop Roof	20	20	-	-	-	20
	Dunbrik Vehicle Wash	-	-	30	-	-	30
	Commercial vehicle replacements	514	514	548	548	549	1,645
	Disabled Facilities Grants (gross)	534	534	889	889	889	2,667
	Sennocke Hotel	1,500	-	1,500	6,000	1,000	8,500
	Bradbourne Car Park	5,300	4,500	800	-	-	5,300
	Buckhurst 2 MSCP	4,000	-	3,000	6,000	600	9,850
Finance	Property Investment Strategy	10,000	9,955	45	-	-	10,000
TOTAL		22,046	15,640	6,873	13,437	3,038	38,190

NOTE

(i) Includes c/fwds from 15/16

(ii) (KCC responsible for Better Care Fund (BCF))

Funding Sources

Capital Receipts	91	-	-
Financial Plan Reserve & Cap Receipts	1,500	6,000	1,000
Vehicle Renewal Reserve	548	548	549
Property Investment Strategy Reserve ***	45	0	0
Better Care Fund (KCC)	889	889	889
Internal Borrowing	800	-	-
External Borrowing	3,000	6,000	600
	6,873	13,437	3,038

*** Part will be funded from Capital Receipts

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Statement of Reserves and Provisions

1. This appendix sets out details of the reserves and provisions held by the council. These balances have been subject to a detailed review as part of the budget process. **The items in bold show the changes that are being recommended.**
2. One of the requirements of the Financial Planning Strategy is to have flexible use of the Budget Stabilisation Reserve. The fund incorporates any annual under-spends and absorbs any annual over-spends. **It is recommended that any variance in the 2017/18 budget is put into this reserve or absorbed by this reserve.**
3. **It is recommended that £1,677,000 be transferred into the Property Investment Strategy Reserve.** This will ensure that acquisitions are funded in the most efficient way and also replace the reduced funding now expected from the New Homes Bonus.
4. A Corporate Project Support Reserve is already in place to finance projects including 'invest to save' initiatives. **It is recommended that £149,000 be transferred into the Corporate Project Support Reserve to help fund future project work.**
5. To fund these increases it is recommended that the following reserves are reduced:
6. **Reduce the Budget Stabilisation Reserve by £1,000,000.** This reduction will leave an adequate amount in the reserve as required in the 10-year budget (Appendix B).
7. **Reduce the Pension Fund Valuation Reserve by £716,000.** This reserve can be reduced following the improved triennial pension fund valuation provided by the pension fund actuaries in 2016.
8. **Reduce the First Time Sewerage Reserve by £50,000** as some liabilities have expired.
9. **Reduce other smaller reserves by £60,000** following a review of the ongoing requirements.

The table below sets out the reserves and provisions held at 1 April 2016

	01/04/16	Purpose (some further details are included in the Statement of Accounts 2015/16)
Provisions	£000	
Business Rates Appeals	2,536	The change to the Business Rates Retention scheme means that the Council has to provide for its share of the costs arising from successful appeals by business ratepayers.
Accumulated Absences	152	Absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences (e.g. annual leave) earned but not taken in the year. Opposite entry in Unusable Reserves.
Municipal Mutual Insurance (MMI)	289	A solvent run-off of MMI is now unlikely which may result in Councils being liable to clawback of monies paid out.
Other	93	To cover potential restitutionary claims in respect of personal search fees of the land register.
Sub Total	3,070	
Capital Receipts		
Capital Receipts	381	Balance from previous asset sales and mortgage repayments. Can be used to fund future capital expenditure.
Earmarked Reserves		
Action and Development	395	To fund ad hoc and unplanned expenditure (including emergencies and flooding).
Asset Maintenance	1,000	To fund emergency works to assets.
Budget Stabilisation	8,001	To support decisions required to continue to produce a balanced budget in future years.
Business Rates Retention	2,222	To manage the volatility in yearly cash flows in the Collection Fund caused by the complexities in the Business Rates Retention Scheme.
Capital Financing	266	Annual contributions from revenue to fund some capital projects.
Carry Forward Items	408	For specific items agreed by Cabinet, e.g. if a project has slipped between years.
Community and Business	382	External funding received for ongoing and future projects.
Corporate Project Support	616	To fund invest to save projects and external expertise required to investigate proposed projects.
Financial Plan	3,659	To support the 10-year budget and Property Investment Strategy.

First Time Sewerage	316	Transferred from a provision for potential liabilities relating to earlier sewerage installations.
Flood Support	144	To give grants to businesses that have suffered flooding and make claims under the Business Flood Support Scheme.
Housing Benefit Subsidy	638	Provides a cushion against large movements in reclaimable sums in any year.
IT Asset Maintenance	347	To fund future IT asset maintenance costs.
Local Plan/LDF	712	To help support the Local Plan and Local Development Framework.
New Homes Bonus (NHB)	379	NHB is being kept separate and used to fund the Property Investment strategy.
Pension Fund Valuation	1,216	To contribute towards downturns in future pension fund actuarial valuations.
Property Investment Reserve	15	To support the aims of the Property Investment Strategy.
Re-organisation	437	To fund actions taken to achieve annual budget savings.
Vehicle Insurance	312	Own vehicle damage for the commercial vehicle fleet. Contributions are made from the trading accounts.
Vehicle Renewal	605	Vehicle replacement for the commercial vehicle fleet. Contributions are made from the revenue trading accounts each year
Others	858	Includes Rent Deposit Guarantee, Local Strategic Partnership, Housing Benefit, Big Community Fund etc.
Sub Total	22,928	
General Fund	1,500	Acts as a working balance to meet unexpected issues during the year, for which a minimum of 10% of net service expenditure recommended. It also meets any planned deficits on the revenue account.
TOTAL	27,879	

Definitions:

Provisions - funds set aside for liabilities or losses which are known obligations, but are uncertain as to amounts or dates. Expenditure can be charged direct against the Provision without being reflected in the Revenue Account.

Capital Receipts - money received from the sale of assets (normally land and buildings) and the repayment of grants and advances (e.g. mortgage repayments). Such receipts can only be used to repay debt, or to finance capital investment.

Earmarked Reserve - amounts set aside for purposes falling outside the definition of Provisions. Expenditure should not be charged direct to reserves, but shown in the Revenue Account with the transfer to or from the reserve distinguished from service expenditure.

Unallocated Reserve - the General Fund balance. This amount is not set-aside for a specific purpose.

Risk Factors 2017/18

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgeted expenditure or income
Pay Costs	£14m total costs	1	4	4	1% pay increase = £140k. Budget assumptions: 1.0% pay award from 2017/18 to 19/20, then 2%	Largest single item of cost. Complex drivers across the organisation. Staff recruitment and retention.	Pay settlement agreed for 2017/18. Strict monitoring of both financials and staff numbers. New salary bands introduced from 1 April 2012 which reduced the costs of annual increments. Formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement.	£140k
Pensions funding	£22m deficit	1	3	3	1% change in employers contribs = £100k.	Deficit on County Fund. Future actuarial results. Government review.	£0.3m included in 10-year budget in 2017/18 to contribute towards any additional pensions costs. Further £200k in Plan in 2020/21 when the next valuation takes place	£100k
Major Service Income areas					See below by income type	Income subject to local economic conditions. Some very large single-source income targets (see below).	Strict monitoring, with trend analysis.	

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgeted expenditure or income
- Land Charges	£0.2m	4	1	4	10% reduction would be £23k.	Volatile activity levels in the housing market. Potential for changes in Land Charges following the Infrastructure Act.	Continue to monitor.	£2k
- Development Control	£0.7m	3	3	9	10% reduction would be £75k.	Volatile activity levels in the housing market and general economic conditions. Fluctuations in income with major applications	Current year income is above target. Continue to monitor.	£7k
Building Control	£0.5m	3	3	9	10% reduction would be £46k	Volatile activity levels in the housing market and general economic conditions. Competition from commercial organisations	Current year income is below target. Continue to monitor.	£5k
- Car Parks	£2.2m	1	4	4	10% reduction would be £222k	General economic conditions; central government directives	Current year income is below target mainly due to impact of Property Investment Strategy and capital works at our car parks. Continue to monitor.	£22.2k
- On-Street Parking	£0.6m	1	3	3	10% reduction would be £62k	General economic conditions. Legislative constraints on spending surpluses. Reverts to KCC control	Current year is above target. Continue to monitor and review.	£6.2k

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgeted expenditure or income
- Car Parking - Enforcement income	£0.2m	1	2	2	10% reduction would be £14k	General economic conditions; central government directives	Current year is similar to 15/16 income at similar time of year. Continue to monitor and review	£1.4k
Partnership working and partner contributions	£0.6m	3	2	6	Impact on individual projects is high. (As reported to Legal and Democratic AC in April 2016 we save £615k pa by working in Partnerships)	Partner actions delayed. Agreed funding not received by SDC. Partnerships ending.	Separate accounting arrangements. Active liaison with partners on service arrangements Written partnership agreements.	£6k
External Funding Awards including Leader project	£0.4m	3	2	6	Up to £450k Impact on individual projects is high	Time limited. Potential risk from uncertainty over replacement of project funds from UK government and other funding providers	Exit strategies in place.	£4.5k
Changes in service demand		3	3	9	Impacts will vary depending on service.		Service planning in place Continue to lobby Government where changes are due to new Gov't requirements.	
Interest Rates	£0.130m 17/18 budget	3	3	9	£230k per 0.5%.	Large cash variance from small rate changes. Reducing availability of suitable counter parties	Use of professional advisers. If internal borrowing is used for capital investment projects in 2017/18 there will be less cash earning bank interest. Realistic budget proposed for 2017/18	£2.3k
Investments	£46m balance at Nov 2016	1	5	5		Financial institutions going into administration.	Investment strategy regularly reviewed by FAC. Use of professional advisers.	n/a

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgeted expenditure or income
Asset base maintenance	£1.0m	2	2	4	Annual budget is based on 30% of assessed maintenance.	Unexpected problems occurring with financial implications. Reducing budget levels. Ageing assets particularly for leisure	Reserve funds set aside. 10 year maintenance planning carried out. Policy of reducing asset liabilities wherever possible.	n/a
Capital Investment resources (Capital receipts)	£0.4m balance at March 2016 utilised for Investment Property purchase	2	2	4	Risks taken into account in the Capital Programme report.	Capital receipt levels modest.	External funding sought wherever possible. Capital Investment priorities in place. Property Review being pursued to secure asset sales. Internal Borrowing approved for future investments	n/a
Property Investments	£12.7m at March 2016	1	4	4		Market value of property may reduce below price at acquisition	External property investment advisors retained for each acquisition; due diligence undertaken pre-purchase. Purchases only made within strategy, which is kept under review.	n/a
Rental Income from Investment Property	£0.5m in 2017/18 budget	1	4	4	Dependant on financial strength of tenants + good management to reduce impact of void periods.	Property tenants unable to pay rents/length of void premises/ability to source new tenants	Due diligence prior to letting to new tenants; tight control on rent payments	£5k
Disposal of surplus assets	£2.5m budget in plan (16/17)	2	2	4	Risks taken into account in the Capital Programme and Asset Maintenance report.	Planning conflict. Resources required to bring sites forward.	Land Owner/Planning protocols in place. In-house property team. Planned Property Review disposal programme.	

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgeted expenditure or income
Government Support: Revenue Support Grant	£0 in 2016/17 revenue budget				n/a	n/a	Excluding grant from budget from 16/17 onwards so SDC will be self sufficient from govt. funding; Adequate level of General Reserve held.	n/a
Government Support: Retained Business Rates	£1.9m in 2016/17	5	4	20	£19k per 1% change	Government changing baseline and therefore safety net levels. Time delays in decisions on appeals. High volume of successful valuation appeals. Central government intends to introduce 100% business rate retention by end of current Parliament	10-year budget strategy gives ability to gradually adjust for changes. Adequate level of General Reserve held.	£19k
Council tax Referendum limits	£9.70m CTAX income in 16/17	4	3	12	£97k per 1% Government controls on changes in council tax rates	Council tax increases limited to £5.00 Impact on council tax base from Local CTAX schemes.	Draft 10-year budget includes council tax increase assumptions for future years.	£97k

Issue	£ Scale	Likelihood 1 (low) - 5 (high)	Impact 1 (low) - 5 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place	Cash impact of 1% change in budgeted expenditure or income
Future Service Changes by Government		4	4	16		Additional services without consequent resources, e.g. previous examples of Maint. of trees on common land. Government directives on income charging e.g. Personal searches. Potential changes on health responsibilities.	Monitor proposals. Respond to consultation with local view.	
Fuel cost increases for Direct Services	£0.5m	5	2	10	10% increase would be £50k	Changes in global oil prices.	Continue to monitor fuel usage and efficiency. Vehicle replacement programme.	£5k
Changes to Audit Arrangements		2	2	4		Abolition of Audit Commission in March 2015; change of external auditors	Plan responses to new initiatives well in advance. <i>(appointment of external auditors transfers to Public Sector Audit Appointments Ltd)</i> , Ensure Council organisation design can meet challenges.	

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Item 6 - Green Belt Assessment

The attached report was considered by the Planning Advisory Committee, relevant Minute extract below:

Planning Advisory Committee on 17 January 2017 (Minute 35)

The Chairman acknowledged the large number of public in attendance. She advised all present that the report before the Committee for consideration and recommendation to Cabinet was on the whole of the District and completed without the consultants knowing about the 'call for sites'. It could be seen from the report that the vast majority of Green Belt was performing well and that all parcels met the tests to varying degrees and non had failed. She asked the Committee to have a good transparent and generic discussion and not to focus on particular areas. There were some sub parcels which needed further investigation and Officers would be doing this in order that the Council could prove to the Planning Inspectorate that it had been rigorous and had a robust evidence base. The Council needed to be able to prove why land should not be removed from the Green Belt. The Green Belt sites submitted through the 'call for sites' process were not likely to be taken forward unless there were 'exceptional circumstances' for them to be released.

The Planning Policy Team Leader presented the report which provided an overview of the findings of The Green Belt Assessment (undertaken by Arup on behalf of the Council) which would help inform the production of the new Local Plan for the period 2015-35.

The Green Belt Assessment was a key evidence base document, which, together with other strands of evidence, would help the Council to protect the Green Belt. It provided a comprehensive review of the performance of the District's green belt against the five green belt 'purposes', as defined in the National Planning Policy Framework (NPPF). Most of the Green Belt within the District was performing strongly and the Assessment report provided a robust evidence base for its continued protection. A very small number of weakly performing parcels had been identified, including sites like Sevenoaks/Greatness Quarry and the priority was to review those, and other brownfield sites within the Green Belt.

Separately, an analysis of statutory natural and historic environmental constraints and a landscape sensitivity assessment had been undertaken. The results of those separate assessments were overlaid with the NPPF assessment, which had led to the identification of parcels of land / sub-areas which were recommended by Arup for further consideration. At a future stage, further investigation and consultation would therefore be undertaken to determine which sites were to be taken forward into the

Agenda Item 6

Local Plan. In the meantime, those sites would not go out to public consultation.

The Chairman asked whether Members had received an email from Wates Developments and whether there was a representative of them present. All Members apart from Cllr Halford had received the email, which would be forwarded to him. The Chairman advised that it would be submitted to the Planning policy team as a consultation response.

The Chairman used her discretion and allowed two members of the public to address the Committee and voice their concerns on the protection of the Green Belt, along with a local ward Councillor. Mr. Dobson called for a visionary Local Plan to include all brownfield options and maximise development on existing sites; Councillor Purves voiced concern about RA-16 and a proposal to develop the land owned by Knole Estates; Mr. Perkins was also concerned by the same proposal and how the loss of Green Belt would impact on the appeal of the town. He wanted Green Belt protected and Members to reject consideration of any Green Belt sites.

The Chairman pointed out that the suggestion to develop RA-16 had come forward from the landowner under the 'call for sites' and was not under discussion. What the Committee was considering was whether the Green Belt Assessment report was correct and robust.

The Vice Chairman added that the methodology used by the consultants had been proven as had recently been examined. Members were being asked to accept whether it was good evidence or not. In response to the public's concerns she did not disagree with regards to needing to protect the Green Belt and it was part of the Council's vision. She requested the Chief Planning Officer explain what exceptional circumstances might mean.

In response the Chief Planning Officer advised that the NPPF set a high bar with clear Green Belt boundaries which could only be changed through Local Plan review with a thorough methodology and only in exceptional circumstances. There was no actual definition of what those exceptional circumstances might be but there were emerging examples from around the country.

Members discussed the report. With regards to comments made referring to a report to be considered the following week the Chairman reminded Members that was a debate for the following week. Members thanked Officers for their work. Some concern was expressed with regards to the 'if necessary' wording in the second recommendation. The Chairman advised and pointed out that other issues such as open spaces and leisure had yet to come to Committee. The Chief Planning Officer explained that the assessment provided a robust piece of evidence and would be overlaid with other pieces of evidence. There was a clear objective to use brownfield sites over Green Belt. He reminded Members that the Issue and Options report would be coming to Committee in June 2017.

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 findings of the Green Belt Assessment, be noted; and
- b) the further consideration of 'brownfield' sites in the Green Belt and then, if necessary, the limited number of land parcels/sub-areas identified in the Arup report, be supported.

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GREEN BELT ASSESSMENT

Cabinet - 9 February 2016

Report of Chief Planning Officer

Status: For Consideration

Also considered by: Planning Advisory Committee - 17 January 2017

Key Decision: No

Executive Summary: The Green Belt Assessment was commissioned to form part of the evidence base for the new Local Plan 2015-35. The Green Belt Assessment has been undertaken by Arup on behalf of the Council.

The Green Belt Assessment provides a comprehensive review of the performance of the District's green belt against the five green belt 'purposes', as defined in the National Planning Policy Framework (NPPF).

All Green Belt performs to a greater or lesser extent. The Assessment categorises Green Belt as either strongly, moderately or weakly performing. Most of the Green Belt in the District is performing strongly. The Green Belt Assessment report provides a robust evidence base for its continued protection.

A very small number of weakly performing parcels have been identified, including sites like Sevenoaks/Greatness Quarry and the priority is to review these, and other brownfield sites in the Green Belt.

Separately, an analysis of statutory natural and historic environmental constraints and a landscape sensitivity assessment have been undertaken. The results of these separate assessments were overlaid with the NPPF assessment, which has led to the identification of parcels of land / sub-areas which are recommended by Arup for further consideration. At a future stage, further investigation and consultation will therefore be undertaken to determine which sites are to be taken forward into the Local Plan. In the meantime, these sites will not go out to public consultation.

Portfolio Holder Cllr. Robert Piper

Contact Officer Hannah Gooden, Planning Policy Team Leader, Ext. 7178

Recommendation to Planning Advisory Committee:

To support the following recommendations to Cabinet:

Recommendation to Cabinet:

- a) To note the findings of the Green Belt Assessment; and
- b) To support the further consideration of 'brownfield' sites in the Green Belt and then, if necessary, the limited number of land parcels/sub-areas identified in the Arup report.

Reason for recommendation: In order to enable discussion and advise on progress with the evidence base documents which will inform the preparation of the new Local Plan 2015-35.

Introduction and Background

- 1 This report provides an overview of the findings of an evidence base document which will help inform the production of the new Local Plan for the period 2015-35.
- 2 The Green Belt Assessment is a key evidence base document, which, together with other strands of evidence, will help the Council to protect the Green Belt. This Study has demonstrated clearly that the vast majority of the Green Belt (77 out of 101 Parcels) continues to perform one or more of these purposes strongly, while all parcels meet the purposes to a greater or lesser extent (para 2 on P.158 of the Arup report).
- 3 It will also assist in the development of strategic spatial options which will help towards meeting the needs of the District. This will include land for housing, employment, community facilities and infrastructure.
- 4 The Council is following a defined process to ensure that we arrive at a robust and deliverable housing target for the District - these steps were discussed and agreed by PAC in July 2015 (attached at Appendix A). This report considers step 4 (Assessment of Green Belt Options) and step 5 (other considerations). The previous steps involved understanding the need (through the Strategic Housing Market Assessment or SHMA) and maximising the supply (through the call for sites and the Strategic Housing Land Availability Assessment or SHLAA).
- 5 Before considering any Green Belt options, and as set out in national policy, brownfield land (both in and outside of settlement boundaries) will always be more preferable for development than utilising greenfield land, which is all Green Belt land within this District. **Appendix B sets out 'brownfield' sites that have been submitted through the call for sites, which equates to approximately 40ha of land. Subject to their suitability, accessibility, sustainability and deliverability, brownfield land will always be considered before greenfield land.** To assist in the identification and consideration of brownfield land, the Council is establishing a brownfield land register in 2017.

- 6 Perhaps unsurprisingly, the vast majority of sites submitted through the call for sites are greenfield sites located in the Green Belt.
- 7 It has been clearly and consistently stated that the preference is to focus development within existing settlements. As a result we have also interrogated:
 - potential for increased site densities as appropriate
 - under-utilised employment land
 - contribution of windfall
 - contribution of empty properties
 - contribution of office conversions under permitted development
 - Duty to Cooperate discussions with neighbouring authorities
- 8 In addition we are also reviewing our existing housing and employment land allocations, reviewing sites that featured in the 2008/09 SHLAA that have not been resubmitted or gained planning permission since, reviewing recent refused or withdrawn planning applications for 5 or more units, and investigating the properties currently on our Empty Properties Register.
- 9 In summary, Green Belt sites to be taken forward for consideration as part of the new Local Plan will initially be limited to sustainable brownfield land options, prior to more detailed interrogation, if necessary, of the other land parcels/sub-areas identified in the Arup report. **Remaining Green Belt sites submitted through the 'call for sites' process are not likely to feature as options in the Local Plan consultation unless an 'exceptional circumstances' case can be made.**

Green Belt Assessment - Overview

- 10 Arup were appointed in August 2016 to carry out the green belt assessment. They are a multi-disciplinary consultancy, based in London, who specialise in this type of work. They have completed a number of recent Green Belt Assessments including for Runnymede, Buckinghamshire, Hertsmere, Uttlesford, Elmbridge, Hounslow, Dacorum, Barnsley and Cheshire East, which has recently been examined.
- 11 Their methodology aligns very closely to the five green belt purposes/functions, as defined in the National Planning Policy Framework (NPPF) and the way land performs against these purposes. To undertake the study, the whole district was split into land parcels and these were assessed against the five NPPF green belt 'purposes' outlined below, to identify the performance of different areas.
- 12 Paragraph 80 of the NPPF states that the Green Belt serves five purposes:

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- To check the unrestricted sprawl of large built-up areas;
- To prevent neighbouring towns merging into one another;
- To assist in safeguarding the countryside from encroachment;
- To preserve the setting and special character of historic towns; and
- To assist in urban regeneration, by encouraging the recycling of derelict / other urban land.

- 13 The study provides strong evidence for justifying the retention of well performing Green Belt. Where it is demonstrated that the Green Belt continues to perform an important function, these areas are highly unlikely to be subject to any further consideration for release, except in exceptional circumstances. Further advice is being sought on the potential definition of these exceptional circumstances, as these are not defined in national planning policy or guidance. The Study will also help to identify if there are any areas of more weakly performing Green Belt land that could be considered further for potential development as part of a new Local Plan.

Green Belt Assessment - Background

- 14 Sevenoaks District is 93% Green Belt, the authority with the third largest proportion of Green Belt in the country. Only the main settlements and larger villages in the District are inset from the Green Belt, with many smaller villages washed over by it.
- 15 The concept of Green Belt dates back to the origins of the modern British planning system and is frequently credited as one of the most notable achievements of the planning system, halting the outward ‘sprawl’ of London into the countryside. The Metropolitan Green Belt, first suggested by Raymond Unwin in 1933 as a green girdle and defined by Patrick Abercrombie in the Greater London Plan of 1944 (later established in the Town and Country Planning Act of 1947), curtailed the further unchecked growth of London’s urban area. Circular 42/55, released by the government in 1955, encouraged local authorities to establish their own Green Belts. The 1955 Circular set out three main functions of the Green Belt:
- To check the growth of large built-up areas;
 - To prevent neighbouring settlements from merging into one another; and
 - To preserve the special character of a town.

Circular 50/57, published in 1957, distinguished the inner and outer boundaries of Green Belts and established the importance of defined and detailed permanent boundaries. The 1958 Kent Development Plan and County Map provided the first designation of Green Belt in Sevenoaks District. The 1958 Plan and Map defined the Green Belt settlement boundary

for Sevenoaks, Swanley and Hextable but did not extend into the southern and eastern parts of the District. The second iteration of the Plan and Map in 1967 extended the Green Belt boundary to include all of Sevenoaks District.

Circular 14/84 was published in 1984 and introduced two additional Green Belt objectives:

- assisting in urban regeneration and
- safeguarding the countryside from encroachment.

The Circulars and policy statements (PPGs) were replaced in 2012 by the NPPF, which reiterated the functions and confirmed that the fundamental aim of the Green Belt was to prevent sprawl. There have been a number of minor amendments to the Sevenoaks District Green Belt, most recently in 2015 as part of the Allocations and Development Management Plan examination, but the extent of the Green Belt remains largely unchanged from its original designation in 1967.

Methodology - Land Parcels


- 16 The key aim of the assessment is to provide a comprehensive Green Belt review of the District, assessing parcels of land against the five purposes of Green Belt designation. The methodology used to undertake this assessment is summarised below, but the full methodology is published online at: <http://www.sevenoaks.gov.uk/services/documents/housing/planning/planning-policy/new-local-plan-2015-35/green-belt-assessment-methodology>
- 17 The first step was to divide the entire District into parcels. Any potential alterations to the Green Belt must be based on a new permanent and defensible boundary; thus, permanent man-made and natural features were used as the basis of criteria for the identification of the Green Belt Parcels. In particular, the boundaries of the Parcels were based on the following features
 - Motorways;
 - A and B Roads;
 - Railway lines; and
 - Rivers, brooks, and waterbodies
- 18 A productive duty to co-operate workshop was held with neighbouring authorities in autumn 2016 to discuss the draft methodology and land parcels. The methodology was considered by the neighbouring local planning authorities under the duty to co-operate and cross-boundary implications were discussed. It was agreed that land parcels would not overlap the District boundary. Parcel boundaries were reviewed on site visits and amended where appropriate, for example using additional durable boundary

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features if required such as prominent ridgelines or protected woodland edges. The assessment considered 101 parcels.

Methodology - Assessment against NPPF criteria - overview

- 19 Site visits were undertaken to assess every parcel across the District. Each of the Green Belt parcels were assessed against the purposes of Green Belt, as set out in the NPPF. The purpose of the assessment was to establish any differentiation in terms of how the parcels in the Green Belt function and fulfil the purposes of the Green Belt. No national guidance exists which establishes exactly how such an assessment should be undertaken, but advice is provided by the Planning Advisory Service (PAS) guidance and there are recent examples from other authorities.
- 20 For each purpose, one or more criteria have been developed using both qualitative and quantitative measures. A score out of five has been attributed for each criterion (0-weekly performing / 5-very strongly performing)

Overall Strength of Green Belt Parcel against Criterion	Score	Equivalent Wording
	0	Does not meet Criterion
	1	Meets Criterion Weakly or Very Weakly
	2	Meets Criterion Relatively Weakly
	3	Meets Criterion
	4	Meets Criterion Relatively Strongly
	5	Meets Criterion Strongly or Very Strongly

- 21 It is important to note that each of the NPPF purposes is considered equally significant, thus there is no weighting or aggregation of scores across the purposes. As such, a composite judgement is used to determine whether, overall, Green Belt parcels are meeting Green Belt purposes strongly or weakly.
- 22 A parcel fulfilling the criteria relatively weakly, weakly or very weakly (0-2) across all purposes is deemed to be weaker Green Belt. A parcel that scores 3 in any category is considered to be moderately performing Green Belt and a parcel that scores 4-5 in any category is considered to be strongly performing Green Belt. Where it is demonstrated that the Green Belt performs moderately or strongly, these areas are highly unlikely to be subject to any further consideration for release, except in exceptional circumstances. Areas that are considered to be weakly performing Green Belt may be taken forward for further consideration if necessary.
- 23 The assessment also considers smaller scale sub-areas within parcels which might be less sensitive and thus able to accommodate change. Therefore, although some parcels are performing strongly or moderately, there are

smaller areas within them that are considered to be weakly performing Green Belt.

Purpose 1 - To check the unrestricted sprawl of large built-up areas

- 24 The original strategic purpose of the Green Belt was to check the sprawl of London. However, it is recognised that the wider Green Belt also plays a role in preventing the unrestricted growth of other large settlements. Within Sevenoaks, large built-up areas for the purpose of this Assessment have been defined to correspond to the Tier 1 and 2 settlements identified in the settlement hierarchy set out in the Sevenoaks District Settlement Hierarchy 2015, namely Sevenoaks Urban Area and Swanley. The assessment considers the degree to which the parcel is contained by built-form and the nature of this physical containment and the extent to which the edge of the built up area has a strongly defined boundary.

Purpose 2 - To prevent neighbouring towns merging into one another

- 25 In addition to the clear function of this purpose in preventing towns from merging and therefore protecting existing gaps between towns, it also forms the basis for maintaining the existing settlement pattern. National policy provides no guidance over what might constitute ‘towns’ and whether this purpose should also take into consideration the gaps between smaller settlements.
- 26 Given that the Green Belt boundaries in Sevenoaks are in most cases drawn tightly to the defined settlements, the assessment of parcels considers gaps between all defined settlements (with Green Belt boundaries) in the District, as well as defined settlements in surrounding local authorities adjacent to the edge of the District.

Purpose 3 - To assist in safeguarding the countryside from encroachment

- 27 This purpose seeks to safeguard the countryside from encroachment, or a gradual advancement of urbanising influences through physical development or land use change. The assessment considered openness and the extent to which the Green Belt can be characterised as ‘countryside’, thus resisting encroachment from development. Openness refers to the extent to which Green Belt land could be considered open from an absence of built development rather than from a landscape character perspective.
- 28 The percentage of built form within a parcel was calculated. Scores were then considered further in light of qualitative assessments of character, undertaken through site visits. This assessment considered the extent to which a parcel might be reasonably identified as ‘countryside’ / ‘rural’. In order to differentiate between different areas, broad categorisation has been developed encompassing assessments of land use, morphology, context, scale and links to the wider Green Belt. These categorisations are: Strong unspoilt rural character, Largely rural character, Semi-urban character and Urban character, which are used together with the percentage of built form to determine the scoring.

Purpose 4 - To preserve the setting and special character of historic towns

- 29 This purpose serves to protect the setting of historic settlements by retaining the surrounding open land or by retaining the landscape context for historic centres. The assessment of this purpose relates to very few settlements in practice, due largely to the pattern of modern development that often envelopes historic towns today.
- 30 Appropriate 'historic towns' have been identified through English Heritage's Extensive Urban Survey for Kent (2006), which identifies Sevenoaks, Westerham and Edenbridge. In addition, New Ash Green has been included in the assessment due to its unique historical identity (largely intact) as a prototype for a new way of living from the 1960s onwards. Otford was also included as it is defined in the settlement hierarchy as a 'local service centre' (together with Westerham and New Ash Green) and it has a historic core with linkages with the surrounding Green Belt
- 31 The assessment considers the role of the parcel in providing immediate context for the historic settlement (along the boundary between the settlement and the Green Belt) and the contribution of the parcel to views or vistas between the historic settlement and the surrounding countryside, looking both inwards and outwards where public viewpoints exist.

Purpose 5 - To assist in urban regeneration, by encouraging the recycling of derelict/other urban land

- 32 Purpose 5 focuses on assisting urban regeneration through the recycling of derelict and other urban land. Advice from PAS suggests that the amount of land within urban areas that could be developed will already have been factored in before identifying Green Belt land. Therefore, assessment of Green Belt against this purpose will not enable a distinction between Green Belt Parcels as all Green Belt achieves the purpose to the same extent. Therefore an equal score is considered for all parcels in relation to this purpose. This is the approach taken in the majority of Green Belt assessments to date.

Methodology - Assessment against Local Considerations

- 33 Following on from the assessment of parcels of land against the NPPF purposes, the parcels were then separately assessed against statutory natural and historic environmental constraints ('local considerations'). The Local Considerations fall into two categories:
- 34 Absolute constraints to potential future land use change, regardless of fulfilment of green belt purposes, which encompasses:
- Sites of Special Scientific Interest (SSSIs),
 - Flood Plain (3b)
 - Scheduled Monuments

- Nationally Registered Park or Garden
 - Ancient Woodland
- 35 Non-absolute constraints, which make a change of land-use less preferable, but would not preclude it completely, which encompasses:
- Areas of Outstanding Natural Beauty (AONB)
 - Agricultural Land Classification (Grades 1, 2, 3a)
 - Flood Plain (Zone 3a)
 - Conservation Areas
 - Local Wildlife sites
 - Areas of Archaeological Interest
 - Identified Open Space Sites
- 36 A series of maps have been produced to overlay these various constraints on the identified weakly performing Green Belt parcels and sub-areas to illustrate the extent of areas covered by absolute and non-absolute constraints and land with no constraints.

Methodology - Landscape Assessment

- 37 The separate Landscape Assessment considers the sensitivity to change with regard to local landscape character of the identified parcels and sub-areas. This was undertaken in two stages:
- High-level desk-top assessment of landscape GIS data and AONB management plans to identify constraint and opportunity
 - Fine-grain landscape and visual sensitivity analysis of the identified areas. The Landscape Assessment considers the sensitivity with regard to landscape character in terms of their ability to accommodate a change in land use if released from the Green Belt.
- 38 Field surveys were used to verify all collated information and include a comprehensive photographic record to illustrate each site. Detailed proformas were completed for each identified area, culminating in an assessment of landscape value, susceptibility and sensitivity for each site.

Findings

- 39 The full Green Belt Assessment report is attached at Appendix 1.
- 40 The results of the NPPF purposes assessment have then been layered with the results of the separate constraints and landscape assessments.

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- NPPF five purposes assessment (chapter five of the Arup report)
 - Absolute/non-absolute constraints (chapter six of the Arup report)
 - Landscape assessments (chapter seven of the Arup report)
- 41 The areas recommended by Arup are set out at Table 5.2 (p.70) of the Arup report and a summary of the constraints and landscape sensitivity assessments for these recommended areas is set out at Table 10.1 (p.159).
- 42 Following the additional work needed to quantify sustainable Green Belt brownfield site options (not submitted through the call for sites), further work is needed to determine which of the areas recommended by Arup may potentially be put forward as site options, through the initial issues and options consultation for the Local Plan in 2017. Therefore, an assessment of the suitability and deliverability of these areas, in terms of availability, timeframe and sustainability (distance from town/village centres) will be undertaken, if necessary, to consider the likelihood of these areas being able to be taken forward. KCC will also provide a commentary on access and network capacity.

Conclusion

- 43 It is notable that, nearly 50 years since the current extent of the Green Belt was established across the District, the Green Belt continues to play an important role in preventing the outward sprawl of Greater London and other large built-up areas within, and adjacent to, the District. It is also crucial for maintaining the District's settlement pattern, ensuring the continued openness of the countryside, and protecting the unique rural setting of historic towns. Clearly our Green Belt also protects the character of the District that our residents know and love.
- 44 This Study has demonstrated clearly that the vast majority of the Green Belt (77 out of 101 Parcels) continues to perform one or more of these purposes strongly, while all parcels meet the purposes to a greater or lesser extent.
- 45 The Green Belt Assessment report therefore provides a robust evidence base for its continued protection.

Other Options Considered and/or Rejected

Preparation of a Local Plan is required by Government. The Council provided a commitment in 2014 (as part of the ADMP public examination) to review the Local Plan within five years. Not preparing a local plan will leave the Council vulnerable to unwanted planning applications and appeal decisions. Recent Government announcements also indicate that the Government will intervene to prepare plans where they are not being prepared in a timely manner locally.

Key Implications

Financial

Production of the Local Plan will be funded from the Local Plan reserve.

Legal Implications and Risk Assessment Statement.

Preparation of a Local Plan is a statutory requirement. There are defined legal requirements that must be met in plan making which are considered when the plan is examined by a Government Planning Inspector. Risks associated with Local Plan making are set out in the Local Development Scheme.

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 preparation and adoption of a Local Plan will directly impact on end users. The impacts will be analysed via an Equalities Impact Assessment (EqIA) to be prepared alongside each key stage of plan making.

Conclusions

Preparation of a Local Plan is required by Government. This report provides an update on the Green Belt Assessment evidence base report.

Appendices

Appendix A - Agreed process for addressing housing need in the Local Plan

Appendix B - Brownfield sites submitted in the call for sites

[Appendix 1 - Sevenoaks Green Belt Assessment \(2017\)](#)

[Appendix 1 has been printed and circulated separately and can be accessed online, link above]

Background documents

None

Richard Morris,

Chief Planning Officer

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Appendix A

Agreed process for addressing housing need in the Local Plan

<p>Step 1 Understanding Need</p> <p>Undertake Strategic Housing Market Assessment (SHMA)</p> <p>Understand other adjacent authorities need via Duty to Cooperate discussions</p>	
<p>Step 2 Maximising supply</p> <p>Undertake Strategic Housing Land Availability Assessment (SHLAA) including a call for Sites</p> <p>Explore potential for increased site densities</p> <p>Explore potential for focussed increased site densities such as near railway stations</p> <p>Assess quantum of under-utilised employment land</p> <p>Assess potential contribution of windfalls</p> <p>Assess potential contribution of empty properties</p> <p>Assess potential contribution of office conversions</p> <p>Discuss supply options in other authority areas under the Duty to Cooperate</p> <p>Consider potential contribution of brownfield land</p>	
<p>Step 3 Understanding shortfall</p> <p>Match steps 1 and 2 findings for need and supply to understand level of any shortfall</p>	
<p>Step 4 Assessment of Green Belt Options</p> <p>Undertake full Green Belt Review of the District- assess parcels of land against the five purposes of Green Belt designation. Undertake detailed assessment at settlement boundaries and broad level assessment elsewhere</p>	
<p>Step 5 Other considerations</p> <p>Assess potential land options against other criteria, including:</p> <p>Category 1 constraints (national/international) e.g. Green Belt, AONB, flood risk</p> <p>Category 2 constraints (county/district) e.g. Conservation area, local wildlife sites</p> <p>Landscape Character</p> <p>Assessments undertaken in neighbouring authorities</p>	
<p>Step 6 Identification of land options for further consideration</p>	
<p>Step 7 Housing target identified</p>	

Appendix B - Brownfield sites submitted in the call for sites

***Please note that these sites have not been assessed in terms of their suitability, accessibility, sustainability or deliverability**

'Brownfield' land, for the purposes of this report, is land that has been previously developed, without the exclusions stipulated in the framework (acknowledging that this does not replicate the definition in the NPPF)

'Brownfield' sites in the Green Belt (submitted through the call for sites) Total: 30ha

SHLAA site ref	Site address	Ward	Site size (Ha)
H04	Harringtons Nursery, Highlands Hill, Swanley	Swanley White Oak	1.79
H022	Knocka Villa, Crow Drive, Halstead	Halstead, Knockholt & Badgers Mount	0.35
H024	Calcutta Club, London Road, Badgers Mount	Halstead, Knockholt & Badgers Mount	0.3
H025	Land at Polhill Business Centre, London Road, Badgers Mount	Halstead, Knockholt & Badgers Mount	1.3
H045	Garages at Richards Close, Chiddingstone Causeway	Leigh & Chiddingstone Causeway	0.05
H048	Garages at Old Orchard, Charcott, Leigh	Leigh & Chiddingstone Causeway	0.1
H049	Highfield Farm, Crow Drive, Halstead	Halstead, Knockholt & Badgers Mount	0.69
H052	Chapel Wood Enterprises, Ash Road, Hartley	Hartley & Hodsoll Street	0.51
H078	Florence Farm Mobile Home Park, Main Road, West Kingsdown	Fawkham & West Kingsdown	1
H086	Chaucers of Sevenoaks, London Road, Dunton Green	Dunton Green & Riverhead	0.23
H087 / MX9	Upper Hockenden Farm, Hockenden Lane, Swanley	Swanley St Mary's	2.36
H099 / EM5	Sevenoaks Garden Centre, Main Road, Sundridge	Brasted, Chevening & Sundridge	1.82
H0104	Baldwins Yard, Noahs Ark, Kemsing	Kemsing	0.38
H0108	Redleaf Estate Yard, Camp Hill, Chiddingstone Causeway	Leigh & Chiddingstone Causeway	0.14
H0109	Highways Depot, Tonbridge Road, Chiddingstone Causeway	Leigh & Chiddingstone Causeway	0.21
H0115	Causeway House, Tonbridge Road, Chiddingstone Causeway	Leigh & Chiddingstone Causeway	0.52
H0121	Land south of Morleys Road and west of the railway line, Sevenoaks Weald	Seal & Weald	0.58
H0124	Wested Farm, Eynsford Road, Crockenhill	Crockenhill & Well Hill	1.17
H0127	Gills Farm, Gills Road, South Darenth	Farningham, Horton Kirby & South Darenth	0.92
H0129	Terrys Lodge Farm, Terrys Lodge Road, Wrotham	Fawkham & West Kingsdown	0.45
H0132 / EM6 / MX14	Bartram Farm, Old Otford Road, Sevenoaks	Otford & Shoreham	1.24
H0143	Foxbury Farm, Stone Street, Seal	Seal & Weald	1.19
H0150	Chelsfield Depot, Shacklands Road, Badgers Mount	Halstead, Knockholt & Badgers Mount	4.86
H0165	Fawkham Business Park, Fawkham Road, Fawkham	Fawkham & West Kingsdown	0.78
H0170	Land at Burton Avenue, Leigh	Leigh & Chiddingstone Causeway	0.19
H0229	Land east of Fruiterers Cottages, Eynsford Road, Crockenhill	Crockenhill & Well Hill	0.11
EM2	Beechcroft Farm Industries, Chapel Wood Road, New Ash Green	Ash & New Ash Green	1.49
EM3	Construction Yard, Main Road, Sundridge	Brasted, Chevening & Sundridge	1.59
EM12	Former Park and Ride, Otford Road, Sevenoaks	Sevenoaks Northern	1.25
EM13	Turvins Farm, Sundridge Road, Sundridge	Brasted, Chevening & Sundridge	0.93
MX2	Grange Park Farm, Manor Lane, Fawkham	Fawkham & West Kingsdown	0.68
MX12	Station Yard, Station Hill, Chiddingstone Causeway	Leigh & Chiddingstone Causeway	0.86

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'Brownfield' sites in existing settlements (submitted through the call for sites) Total: 9ha

Site ref	Site address	Site size (ha)	Potential site capacity
HO12	Car park, High Street, Kemsing	0.15	5 units
HO35	JD Hotchkiss Ltd, London Road, West Kingsdown	0.55	9 units
HO44	51-59 Mount Pleasant Road, Sevenoaks Weald	0.39	20 units
HO83	Berkeley House, 7 Oakhill Road, Sevenoaks	0.46	34 units
HO102	Otford Builders Merchants, High Street, Otford	0.46	8 units
HO131	Employment area at Ryewood, Dunton Green	0.33	29 units
HO198	The Woodlands, Hilda May Avenue, Swanley	0.44	13 units
HO217	Sevenoaks Town Council offices, Bradbourne Vale Road, Sevenoaks	0.32	25 units
HO224	Former Furness School, Rowhill Road, Hextable	4.02	200 units
HO226	Sevenoaks Adult Education Centre, Bradbourne Road, Sevenoaks	0.60	20 units
HO227	Land at Horton Place, Westerham	0.08	8 units
HO270	59 High Street, Westerham	0.06	4 units
HO272	Rajdani, London Road, West Kingsdown	0.40	12 units
MX1	6 Pembroke Road, Sevenoaks	0.13	8 units and 100sqm office
MX28	18 Cedar Drive, Edenbridge	0.03	12 units and 100sqm retail
MX29	Sevenoaks Community Centre, Otford Road, Sevenoaks	0.89	10 units and 1150sqm community use

Item 7 - Swanley & Hextable Master Vision

The attached report was considered by the Planning Advisory Committee on 25 January 2017. The relevant Minute extract was not available prior to the printing of this agenda.

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SWANLEY AND HEXTABLE MASTER VISION

Cabinet - 9 February 2017

Report of Chief Planning Officer

Status: For Recommendation to Cabinet

Also considered by: Planning Advisory Committee - 25 January 2017

Key Decision: Yes

This report supports the Key Aim of support and develop the local economy

Portfolio Holder Cllr. Robert Piper

Contact Officer Antony Lancaster, Strategic Planning Manager, Ext. 7326

Recommendation to Planning Advisory Committee: To support the following recommendations to Cabinet

Recommendations to Cabinet:

- a) To note the public and stakeholder responses made to the Master Vision consultation and the observations made on the stakeholder response
- b) To support the overall principle of regeneration and growth in Swanley and Hextable.
- c) To agree that all elements of the Master Vision are now addressed further within a Local Plan 'Issues and Options' consultation to be undertaken during 2017 with the exception of unsupported aspects, namely, facilitating new or improved Public/Town Council facilities and building a new hotel on the edge of the recreation ground.
- d) To support the undertaking of further studies to assess in more detail the following specific aspects:
 - A development brief focussed on Swanley town centre
 - More detailed master-planning for a new garden village
 - More detailed modelling of transport implications
 - More detailed feasibility work related to the main elements of infrastructure
 - Financial assessment to refine the scale of development required to achieve a 'critical mass'

Reason for recommendation:

To enable Committee Members to consider both public and stakeholder responses made to the Master Vision and to recommend to Cabinet that more detailed work is now continued through the new Local Plan process.

Introduction

- 1 This report provides an update on the Master Vision consultation agreed by the Planning Advisory Committee in July 2016 and Cabinet in August 2016.
- 2 It sets out how consultation was undertaken and provides a summary of the analysis of responses undertaken by the Council's consultants, both in terms of quantitative data taken from direct responses to the questions posed in the survey and more qualitative information taken from the range of comments and representations returned from the public and stakeholders.
- 3 Based on the consultation responses received, the report provides a recommendation for the next stages of progressing the Master Vision work. It discusses how the regeneration work for Swanley and Hextable can be taken forward and refined as an element within the Local Plan preparation.
- 4 The report also outlines some of the detailed work now needed to be commissioned if supported aspects of the Vision are to progress successfully.

Background to the Master Vision

- 5 The PAC report of July 2016 set out the reasons for taking a regeneration process forward and is not repeated in this report.
- 6 Early consultation in February 2016, prior to the development of any scenarios gave sufficient support for progressing ideas towards regeneration and growth, particularly where this would lead to new affordable and family homes and retirement properties, improved health facilities, better public transport and initiatives to cut road congestion, a better range of shops and restaurants as well as retention of leisure facilities and open spaces.
- 7 The PAC report of July 2016 was clear that if these issues are to be addressed effectively the scale of any regeneration would need to have a 'critical mass' capable of attracting sufficient development funding to support a step change in Swanley's infrastructure.
- 8 The ideas contained within the Tibbalds report presented as part of the July 2016 PAC report formed the basis of the public consultation taken forward. The Master Vision has been informed by the views of the people of Swanley and Hextable as expressed at early consultation in February 2016.
- 9 A new Garden Village was specifically suggested so as to ensure new growth did not form another suburban extension of Swanley but rather it could provide a new well designed village containing community features such as

shops and primary school provision with landscaping and buffer zones to ensure separation from the nearby settlements; Hextable and Swanley Village would remain separate communities.

- 10 If development akin to garden village principles were to be progressed in what is currently Green Belt, as part of a new Local Plan, this could be justified as representing an exceptional circumstance required to make the regeneration and growth of Swanley and Hextable a viable proposition.

Representation received by the District Council

- 11 A document described as a petition, directed to local MP Michael Fallon, has been presented to the District Council. The document is headed *Sevenoaks Vision Plan for Swanley* and contains 1,843 signatures from people giving an address within Sevenoaks District. Details are presented at the head of this Master Vision report in order to enable discussion on its contents prior to consideration of the responses received to the consultation survey.
- 12 Each page is headed *'We the undersigned object to the Sevenoaks Vision for Swanley on the following grounds. We do not want to see Swanley's population more than doubled (by 20,000), to see 4,500 homes built on our Green Belt/Prime Agricultural Land, to see high rise apartments and, potentially, to see an additional 9,000 cars on our already congested roads or our air quality to suffer'*.

Some pages contain a footer that states *'This Petition has no political bias. It solely represents the opinions of Swanley residents'*. For absolute clarity the document contains signatures that have been accepted from residents in other parts of Sevenoaks District (including West Kingsdown, Eynsford, Farningham and Fawkham) not just Swanley, Hextable and Crockenhill.

- 13 The District Council's Monitoring Officer advised the Chairman prior to District Council on 22 November 2016 *'that the petition does not meet the requirements of our Constitution and is invalid as it does not state what action it wishes the Council to take, it is a petition to the local MP and not the Council, the statement which accompanied it differs substantially from that which was signed and as a comment on a live planning application it would be wrong for the Council to debate it. The representation will however be brought to Members attention at the Planning Advisory Committee in January. I have carefully considered this as a constitutional matter and am satisfied with the advice I have given, which I will not alter'*.
- 14 The District Council's Chairman agreed with this position and considered that the petition *'is in fact a representation on a consultation and will accordingly be brought to Members attention at the Planning Advisory Committee in January'*.
- 15 With reference to the specific grounds to which signatories are objecting:
 - *Swanley's population more than doubled (by 20,000)*. The Master Vision does not set forward an increase in Swanley's population of 20,000. It

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goes no further than suggesting up to 1,500 new homes around the centre of Swanley and 3,000 as part of a new garden village to the east. On this basis therefore a 20,000 increase in population would represent an average household size of 4.44 in new development and more if single person accommodation and homes for older people are excluded. Current average household size in all wards in Swanley and Hextable is 2.5 other than Swanley White Oak which is 2.2 (2011 census, ONS).

- *4,500 homes built on our Green Belt/Prime Agricultural Land.* The Master Vision does not propose 4,500 homes to be built on Green Belt/Prime Agricultural Land. (The figure for the suggested Garden Village is up to 3,000 homes).
- *High rise apartments.* The covering statement makes reference to the U+I planning application in Swanley town centre. This is not part of the Master Vision. As a comment on a live planning application it would be wrong for the Council to debate it, as has been advised by the Monitoring Officer. The U+I application has now been withdrawn.
- *An additional 9,000 cars on our already congested roads or our air quality to suffer.* The Master Vision does not propose an additional 9,000 cars. (It places an emphasis on improvements to public transport and reducing the need to travel and identifying that further detailed feasibility work will need to be undertaken in order to set out how sustainable transport solutions will be achieved).

- 16 It therefore seems clear that the scale of Vision around which the representation has been structured goes some distance beyond that which has actually been set out and consulted upon in the Master Vision.
- 17 The statement added to the front of the representation states that *‘The signatories wish Swanley to remain, as it is, a small rural market town, we do not want to see a massive increase in our population as the infrastructure could never cope. However, we all appreciate that the town does need to be revitalized and refurbished. We are looking for our agricultural land and Green Belt to be protected and any additional housing to be provided from Brown Field development’.*
- 18 It is not absolutely clear what interpretation should be given to the representation as the context given when seeking signatures doesn’t accurately reflect the details in the Master Vision consultation and in part it was intended as an objection to a planning application. The already established policy position that supports regeneration of the town centre is not referenced; nor is the need to manage the increasing pressures for growth (reflecting Government’s national priorities) that are facing Swanley and Hextable. In this regard, no viable alternatives to the Master Vision approach are offered for establishing the ‘critical mass’ needed for funding a ‘revitalized and refurbished’ town with the infrastructure it needs.

The form of public consultation

- 19 The consultation undertaken for the Master Vision represents one of the largest ever undertaken by Sevenoaks District Council. It was specifically designed to be as inclusive as possible allowing the opportunity for representation from all people living and working in and around Swanley and Hextable. Taking this approach has helped to ensure a high response rate and a very high level of statistical confidence can be attributed to the data provided which in turn will be able to contribute to a robust evidence base for any future work on the new Local Plan.
- 20 Public consultation was undertaken between 7 September and 2 November 2016 and was masterminded by the District Council's Communities and Business Team. An extended consultation period was undertaken to help provide sufficient opportunity for responses to be made. The focus of consultation was a public survey. The survey was shared with Members on 6 September 2016, prior to issue, in order to allow any concerns to be raised.
- 21 The survey was sent to 9,800 households and businesses in postcode areas BR8 7 and BR8 8 together with stamped, addressed return envelopes. Multiple returns could be provided from individual households as long as each return could be attributed to a different household member.
- 22 An external company, Lake, were employed to process the responses to the survey. This included quantitative assessment of responses to questions and more qualitative analysis of comments returned.
- 23 Details of the consultation were provided as part of the Swanley and Hextable newsletter delivered to homes and businesses in the BR8 7 and BR8 8 postcode areas (Swanley, Hextable, Crockenhill and Swanley Village) from 12 to 16 September.
- 24 Half page adverts were taken out in the Dartford and Swanley News Shopper on 14 and 21 September and a briefing was held with a News Shopper reporter on 2 September 2016. The consultation was promoted widely over social media including Twitter and Facebook.
- 25 Residents were invited to find out more by:
 - Attending one of the drop in sessions in Swanley town centre and Hextable (see details below)
 - Viewing the Master Vision online at www.sevenoaks.gov.uk/swanley&hextable
 - Viewing a copy at Swanley Link
- 26 Drop in events in Swanley took place at 38/39 Swanley Centre (next to Wilko) from 11am to 4pm on Thursday 22 September, Friday 23 September and Saturday 24 September. Immediately in advance of the drop in sessions

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- (20 and 21 September) postcards publicising the consultation were handed out to both outgoing and returning commuters at Swanley Station.
- 27 Drop in events in Hextable took place at Hextable Village Hall from 9am to 9pm on Friday 23 September.
 - 28 Drop in events at the White Oak Leisure Centre took place on Tuesday 27 September (11am to 9pm) and Saturday 1 October (11am to 4pm). Information about the consultation was left (unmanned) at White Oak Leisure Centre until Wednesday 2 November.
 - 29 Following a request from Crockenhill Parish Council a further drop in session was arranged for Crockenhill Village Hall on Tuesday 18 October (6pm to 9pm). Some of the more southern, rural parts of Crockenhill Parish lie in postcode area BR8 6 and did not receive the mailed out survey. For these areas copies of the survey were both made available through, and promoted via, Crockenhill Parish Council. The District Council was later thanked by the Parish Council for facilitating this process.
 - 30 Frequently Asked Questions (FAQ) sheets anticipating the main enquiries likely to be forthcoming, were made available to all staff and to those dropping in at these sessions.
 - 31 Staff involved in the consultations have advised that the groups of people visiting the sessions were wide ranging; see appendix 4.
 - 32 As the Master Vision concerns Swanley and Hextable over the next 20 years, responses were particularly encouraged from younger age groups. To help enable responses from younger, harder to reach people a visit was made to Orchards Academy where the survey questions, with simplified explanatory text, were completed by 107 pupils in one session held on 22 November 2016.
 - 33 The survey also allowed space for respondents to return comments and this has helped to provide a qualitative response. Lake consultants have provided an analysis of the comments returned.
 - 34 Stakeholders on the District Council's database were invited to return more focussed comments around their particular areas of interest or expertise. This included Swanley Town Council and surrounding Parish Councils.
 - 35 Stakeholders were advised by email of the forthcoming consultation before it began and were then invited to a separate stakeholder consultation which was held in the evening of Thursday 27 October 2016 at Swanley Link. Those attending were able to find out more and were encouraged to respond to the consultation.
 - 36 A business breakfast was held on Wednesday 19 October 2016 at Swanley Town Council. This provided an opportunity for the local business community to find out more about the Master Vision and to focus on issues of direct interest such as implications for employees, premises etc.

- 37 In addition to the survey being undertaken by pupils at Orchards Academy a visit was made to Downsview Primary School on Wednesday 19 October 2016. This does not form part of the consultant's analysis but summary details are attached at appendix 5 for information.
- 38 A meeting of the Local Strategic Partnership on 29 September 2016 was given over to a workshop for the Master Vision and the results provide useful evidence behind the views of those stakeholders represented at the event.
- 39 Finally a meeting was held on 10 October 2016 with the Head Teachers and Governors of Orchards Academy and St Mary's Primary School together with the Business Manager from Orchards Academy, KCC, the diocese of Rochester and TKAT the Academy Chain of which Orchards forms part. Follow up discussions were then held at each school to encourage responses.

Consultation results - public

- 40 The consultant's report has been attached as appendix 1 and provides details of methodology and data. The profile of respondents, including by age, is set out on page 10 of the report. The report summarises the comparative unweighted data (raw data) as compiled by the consultant.
- 41 A summary chart of findings for all respondents can be found on page 8 of appendix 1 based on a sample size of 1,838 respondents.
- 42 Overall, the level of response has been such that the margin of error (confidence interval) in the figures being reported is +/-2.42% and that one can be 95% sure of accuracy (confidence level). The low confidence interval and high confidence level can both be taken as indicators of the robustness of the results coming out of the consultation exercise undertaken. Further detail is given on page 7 of appendix 1.
- 43 **In summary there is support for the principle of regeneration of Swanley and Hextable, although not all elements suggested in the Master Vision were seen as attractive propositions. The following, larger items contained in the survey attracted a strong level of support with the gap between the agrees and disagrees being at least 15 percentage points (and in some cases much more):**
- A new garden village with spacious family friendly housing.
 - A new health/medical and leisure facilities built on a small part of the existing recreation ground.
 - An improved education campus at Orchards Academy.
 - Redevelopment of the Bevan Place car park and former Working Men's Club site with active ground floor uses.
 - Improvements to the range and opening hours of shops and restaurants in Swanley town centre.
- 44 There were exceptions to this level of support in the following cases:

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- Options for new or improved Public/Town Council facilities and building a new hotel on the edge of the recreation ground were not supported;
- There was a divided response for building apartments in Swanley Town Centre possibly influenced by the U+I planning application;
- Strong support was returned by Orchards pupils but responses were otherwise more divided for:
 - moving Swanley Station
 - creating a station halt as part of a new garden village;

Observations from drop-in sessions

45 Observations on comments made by people at the drop-in sessions also provide useful additional, information about people's interests and concerns:

- Many people were confused by the U+I application and concern about '13 storey' blocks of housing.
- People were concerned about the impact of the Master Vision on infrastructure and services. This includes:
 - Roads, cars and traffic flow
 - Health care facilities
 - Education facilities
- Local people had very strong views about the closure of local community facilities in Swanley and did not understand the different roles of the tiers of local government structure operating in their area.
- Many local people also used the consultations as a means to voice local concerns that did not relate to the Master Vision.
- Some people expressed concerns about their perceived high level of development in Swanley compared to other areas of the District.
- There was a concern about the lack of affordable homes in Swanley and people were clear this wasn't social housing. Many wanted to make sure local people had an opportunity to get their foot onto the property ladder. Shared ownership options were popular. Some families were concerned about the lack of more spacious housing for them to move into and stay in the area.
- There was a general lack of understanding from some people about the nature of a Master Vision. Many expected it to go into detail about infrastructure, or didn't understand that development was necessary to facilitate improvements in infrastructure.

- Most people wanted to see some type of improvements to Swanley station, however, there was a split between those seeing the benefit of moving it closer to the town centre, while others preferred to see links with the town centre being improved.
- People in Hextable were concerned about whether Kent County Council was going to build on the Oasis Academy site.
- People were positive about how good the local schools were and wanted to see improvements for Orchards Academy.
- People wanted to see the recreation ground feel safer and find ways to encourage better community use of the space.

46 Observations made by staff who facilitated the drop-ins is also of interest:

- We had to negotiate with a local protest group to ensure people had fair and open access to the consultation.
- There were many people who came to the drop ins for information as they had not yet submitted their response and wished to consider all the issues fully before they did so.
- People seemed interested that the Master Vision would be a template that would ensure a greater sense of local control over the way development and resulting future infrastructure improvements would happen.
- People supported encouragement of the number of people using rail and bus transportation but were unsure of whether we would actually be able to encourage people away from cars.
- Most people felt very strongly about the recreation ground and valued it as a community space. However, people who visited the consultations did appear to find the artist's impression of the health and leisure facilities on the edge of an improved recreation ground useful. Some of the issues raised by people included:
 - Feeling safe was important. Having an overlooked space might help this.
 - Positive reactions to a community hub and improved open space that might encourage different and greater community uses, such as music performances, open air cinema or places to enjoy lunch and meet friends.
 - Positive reactions to a new health and leisure centre on the edge of the recreation ground.
- People didn't appear to find the 'blue blob' on the map particularly helpful in understanding the Garden Village proposal, which in concept, is meant to provide lower density housing, surrounded by

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parks and open spaces. It led to many thinking this would have considerably more development than was actually envisaged. The strongest feelings on this proposal came from those who live on the eastern side of Swanley, particularly those in on near Archer Way and Swanley Village.

47 Key messages recorded from businesses at the breakfast drop-in session were:

- Some concern that the Master Vision should consider the need for more modern industrial space in Swanley, particularly small modern units of 2,000-3,000 m² in size.
- Wanted to ensure leisure facilities were within easy reach.
- Concerned about the lack of vibrancy in Swanley town centre and the dominance of Asda.
- Recognized need for housing with more room and space and something that works in the local context.

48 Key messages from young people at Orchards Academy:

- Young people at Orchard's Academy for years 7, 8, 9 and 10 were encouraged to think about Swanley as a place over the next 20 years; somewhere they will need to find housing, work, start and raise a family and the types of facilities that would be important to them.
- Pupils were generally very positive about the Master Vision for Swanley reflected in the survey results in appendix 1.
- 107 pupils completed the survey.

49 The results of the consultation are being made available on the District Council's website and will be publicised more widely in the February issue of the Swanley and Hextable Newsletter and via a brief summary in the April issue of In Shape.

Consultation results - stakeholders

50 Stakeholders responses are compiled and summarised in appendix 2. Observations on the key points raised are as follows:

51 **Swanley Town Council** - It is encouraging that Swanley Town Council accept the need for regeneration and the points made about scale of ambition and potential impact on the local community are extremely valid. Concerns about the level of detail set out in the Master Vision and the need for landowner consultation are noted; current work has been 'high level' and if taken forward the next stages will need to be developed in much more detail via the new Local Plan.

- 52 **Hextable Parish Council** - The objection to development of nursery sites and the Egerton Nursery site in particular is noted as is the preference for growth to the north and east of the settlement as being set out in the emerging neighbourhood plan. The objections to the development of prime agricultural land and Oasis School playing fields are also noted as is the 'no objection' to development of previously developed land at Oasis School.
- 53 **Crockenhill Parish Council** - The recognition that Swanley needs updating and improving is noted as is the concern that the scale proposed is seen as being over ambitious and will impact on green belt and green spaces. The importance of identifying a timescale to sequence events, of ensuring direct consultation with landowners and providing for any essential infrastructure is recognised and more detail will need to follow as part of any further work to take the Master Vision forward.
- 54 **Swanley Village Residents' Association** - Concerns that are expressed about maintaining identity by separation of Swanley Village from other settlements are noted, as is the importance given by residents to the surrounding countryside.
- 55 **Kent County Council - KCC Highways** - Support for the vision is welcome as is concern expressed about pressure on services linked to funding availability for infrastructure. SDC will be pleased to discuss further with KCC. Support for improvements to highways and transport service infrastructure and provision of residential development around Swanley Railway and town centre is welcomed. The need for further detail on traffic management action, parking provision, bus and rail integration, cycle and pedestrian links and access to bus stops is noted. SDC welcome working with KCC on the detail needed in relation to achieving more sustainable traffic movements and managing potential future travel demand.
- 56 KCC support for transformational growth as long as sustainability measures are achievable is welcomed as is the recognition that a new rail halt and relocating the station could help to do this.
- 57 Reference to the South East Local Enterprise Partnership funding package secured from the Government's Local Growth Fund in 2014 is noted. It is understood by SDC that this is specifically for improvements to the existing Swanley Railway station in addition to CIL and s106 contributions, as would need to be agreed through the CIL governance board, and additionally that the funding proposed by SDC for the development must be secured before proceeding.
- 58 **KCC Education** - KCC confirmation that they do not envisage the closure of the Oasis Hextable Academy to be 'temporary' is noted as is the expansion of Orchards Academy to 6 forms of entry causing a number of issues. SDC will welcome involvement in further discussions around potential options for St Mary's CE School and Orchards Academy.

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- 59 The commentary on provision and funding implications for scenarios 1 to 3 for both primary and secondary education provision is very useful and welcome.
- 60 **KCC Property and Land Ownership** - Concerns regarding the movement of St Mary's CE Primary School to redevelop the site and replacement of the youth hub are noted.
- 61 **KCC Minerals and Waste** - Consideration needing to be given to 'identify and safeguard mineral reserves - specific regard to Policy DM7: Safeguarding of Minerals' is noted and can be addressed via the new Local Plan. The information that the County Council's waste management facilities will be close to operating capacity is also noted. SDC will be happy to enter further discussion with KCC on mitigation projects and quantum of additional demand.
- 62 **KCC Biodiversity** - The more detailed consideration needed for specific biodiversity elements and landscape connectivity is noted.
- 63 **Kent County Council Property (separate response)** - Support for the Master Vision's ambitions is welcomed and it is noted that the medium scenario is preferred. Confirmation of KCC's promotion for redevelopment of two former school sites (former Birchwood Primary School and Oasis Academy) is noted as is the preference for housing development rather than a new sports hub at the Birchwood location. The suggested focus on redundant agricultural, nursery and education sites is noted as is the suggested review of other Greenfield land parcels that no longer contribute to the open character of the Green Belt would also help.
- 64 **Orchards Academy** - As a central part of the community, the School recognises the need for investment in the future growth of Swanley and in general are in support of the Master Vision. The school buildings are not capable of taking large numbers so there would need to be substantial investment in the school to accommodate a potential influx of new families. Orchards would also welcome the addition of a sports centre on site that could be shared between the school pupils and local community. Further investment in infrastructure is required with the immediate need for a better bus service to the more rural parts of Swanley. Working alongside outside agencies such as Supajam and Walk Tall Orchards are also providing education for those pupils who would have fallen into the NEET category so are providing a service to the Local authority as well as pupils.
- 65 **St Mary's CE Primary School** - The Governing Body confirm, for the purposes of the Master Vision that it is the intention to increase the size of the school and nursery from one to two form entry, as soon as possible. They understand that this may necessitate building onto the existing school, or starting a new school building whilst using the existing school building; and that any new build, using the same site, may involve two stories. It is not an intention to share the site with housing, for example, at any stage and consider the site size to meet present needs. The Governing Body are aware that the adjacent site (known as St Mary's Youth and Community Centre) is

also designated for school use, but has not been used as such since 1993. They would appreciate increasing the present site to include this site, and understand that this would mean that further building was not necessary.

- 66 **Dartford, Gravesham, Swanley Clinical Commissioning Group (CCG)** - Acknowledgement of the suggested transformational growth is encouraging as is the openness to an integrated health and wellbeing facility for the current two GP practices. Concerns over funding and reducing congestion are noted and further detail on these aspects will form part of the next stages of work if developed through the new Local Plan.
- 67 **The Oaks Partnership** - The support of the Oaks Partnership for new development in Swanley is welcomed as is recognition of the need to focus on the benefits of increased health and wellbeing provision. It is noted that the volunteer sector and commissioned community resources will have a key role to play.
- 68 Support for the health centre being part of a leisure centre is particularly welcomed and it is noted that the health and wellbeing centre would need to be large enough to house community services, commissioned health services (GP services, community nursing, physiotherapy, podiatry, school nursing, speech and language therapy and health visitors). The preference for a central location is noted as is the need to resolve traffic concerns and accessibility.
- 69 Comments on aspects of site suitability are welcomed and noted; in particular the importance of staff wellbeing, noise control, natural light, ground floor access for the elderly, car parking, green spaces with plenty of trees and the need for flexible space.
- 70 **South Eastern** - Observations on the option of rebuilding the station in its current location are noted. SDC have been party to the discussions setting out how the scheme is realistic in terms of deliverable benefits, value for money and can be delivered within the restraints of the funding conditions. South Eastern uncertainties around the station halt and relocated Swanley Station options are noted and further more detailed discussion would be welcomed.
- 71 The South Eastern preference to continue with improvements at Swanley Station in its current position as a realistic deliverable scheme is noted, including specific points about ensuring better aesthetics and security, improved pedestrian access and cycle routes to the station, improved street furniture and lighting and improved bus service provision and access to the current station.
- 72 **Network Rail** - Support for the preparation of the Master Vision, for development and growth in the area and the key principles of maximising rail links and investing in transport infrastructure is welcomed. The support for the high level objectives of the proposed improvements to the station design and its environments is also welcomed and it is understood that the costs and impacts of any new infrastructure will need to be fully addressed

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particularly the feasibility and viability of any relocation of the station. Network Rail's openness to further discussion for the relocation of the station and halt station options is welcomed.

- 73 **CPRE** - The clear concern about development in the Green Belt is noted; development of a Garden Village in the Green Belt cannot be progressed unless 'exceptional circumstances' are identified. Air quality, congestion and adequate car parking are all recognised as concerns that would need to be addressed in more detail if work on the Master Vision is progressed. Similarly concern around Swanley's many green spaces is well represented and this is an issue where more detailed work on the Master Vision could play a positive role around improvements to both the quality and inter-relationship of green infrastructure.
- 74 **White Oak Bowls Centre** - A range of concerns and observations are raised and are noted :
- Railway cuts the town in half; solution - deck over the railway
 - Opposition to development on recreation ground. Hotel not suitable
 - Concerns about the absence of affordable housing
 - Concerns about the provision of medical clinics for Hextable residents
 - Propose College Road nursery (brownfield site) for development instead of Green Belt
 - More information needed regarding Garden Village
 - Railway halt will clog the new residential streets with traffic
 - New care home must be affordable and provide sufficient parking
 - More parking must be considered elsewhere for station with the loss of Bevan Place car park and relocating near town centre - 200 additional spaces (multi-storey)
 - Leisure site (Hilda May Avenue) should remain for its current use
 - Entrance to Swanley lies closer to the motorway intersection than proposed in the plans
 - Hextable Gardens should remain as an open space
- 75 At the Local Strategic Partnership meeting of 29 September 2016 a group discussion was facilitated around the Master Vision consultation. As well as Sevenoaks District Council, the following stakeholders were represented: Kent County Council (including Public Health, Early Help and Prevention and Area Schools Officer), Kent Fire and Rescue Service, Kent Police, West Kent Extra, West Kent Housing, Moat Housing, Sencio Community Leisure, Age UK, Imago and Sevenoaks Churches Together.
- 76 LSP minutes are attached as appendix 3 and item 5 of the minutes refers. All key messages of the consultation were supported in principle.

Relationship to the Local Plan

- 77 To date the Master Vision has been progressed as a piece of work distinct and separate from the new Local Plan as it has been a long held ambition by SDC to regenerate Swanley. Consultants have advised on the potential elements which, taken together, might lead to regeneration and growth.
- 78 Public and stakeholder views have provided important evidence behind which elements of the Master Vision might be taken forward. It would now be appropriate for those elements that are to be developed further to be progressed as part of the new Local Plan process.
- 79 The new Local Plan has been underway since June 2015. Early stages of plan making have been concerned with gathering together a wide ranging evidence base in order to help inform future decision making. An important principle is that the plan will be led by the evidence and it is important to note that not all findings will be consistent. Hard choices lie ahead in terms of the balance in weight that will need to be given to differing evidence. This will be a key role for the Local Plan process.
- 80 The work and consultations undertaken on the Master Vision so far can represent an important addition to the Local Plan evidence base for the potential regeneration and growth at Swanley and Hextable.
- 81 The next stage for the Local Plan will be to set out, amongst other things, options for a District wide development strategy to 2035 and in forming this strategy the role to be played by Swanley and Hextable will form one distinctive and important element.

Summary and next steps

- 82 The consultation process for the Master Vision represents one of the largest undertaken by the District Council to date.
- 83 The responses to the survey questions indicate clear support for taking forward a process of regeneration and growth for Swanley and Hextable. Support is particularly strong amongst younger respondents, who are the ones most likely to be the beneficiaries of the new homes and infrastructure set forward in the Master Vision.
- 84 Some elements of the Master Vision attract greater support than others and a few are not supported. **In summary there is support for the principle of regeneration of Swanley and Hextable, although not all elements suggested in the Master Vision were seen as attractive propositions. The following, larger items contained in the survey attracted a strong level of support with the gap between the agrees and disagrees being at least 15 percentage points (and in some cases much more):**
- A new garden village with spacious family friendly housing.
 - A new health/medical and leisure facilities built on a small part of the existing recreation ground.

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- An improved education campus at Orchards Academy.
- Redevelopment of the Bevan Place car park and former Working Men's Club site with active ground floor uses.
- Improvements to the range and opening hours of shops and restaurants in Swanley town centre.

- 85 A number of the representations returned express some caution around the final scale of regeneration that might eventually be taken forward and any disruption when work is being undertaken. This is clear in responses returned from Swanley Town Council, Hextable Parish Council and Crockenhill Parish Council and some of the infrastructure providers and stakeholders as well as members of the public. These are valid concerns will need to be considered sympathetically and in more detail as planning work progresses.
- 86 There is also an element of scepticism in public responses around the ability to actually achieve some of the project ideas set out within the Master Vision and whether existing infrastructure deficiencies can actually be resolved and not made worse as a result of further growth.
- 87 A key implication to be taken forward is that further work will be needed to fully understand the ambition and detail of each project in order to make sure that infrastructure remains sufficient to both cater for new development and address problems already existing in the area. As part of this, more detail will be needed around deliverability, in particular further clarity on the levels and timing of funding. This is not to say that individual project elements, such as a new leisure centre, cannot be taken forward in advance of further work related to the overall Vision.
- 88 For the forthcoming Issues and Options consultation on the Local Plan, to be undertaken during 2017, there remains sufficient support to progress much of what has been suggested in the Master Vision for further, more detailed, consideration. Members have already agreed to an Area Action Plan element within the new Local Plan at Planning Advisory Committee in July 2015).
- 89 The Master Vision makes further recommendations on taking forward the work and the areas where further detailed studies will be required if the process is to be informed effectively are likely to include:
- A development brief focussed on Swanley town centre
 - More detailed master-planning for a new garden village
 - More detailed modelling of transport implications
 - More detailed feasibility work related to the main elements of infrastructure
 - Further financial assessment to refine the scale required to achieve 'critical mass'

Other Options Considered and/or Rejected

The Council has provided a policy commitment within its adopted development plan to taking forward a regeneration process for Swanley. Not undertaking work to assess options for regeneration and growth would therefore not accord with this commitment.

Key Implications

Financial

Production of the Master Vision work and any further related studies will be funded from the Local Plan reserve.

Legal Implications and Risk Assessment Statement.

There are legal implications if Master Vision work is progressed further as part of a new Local Plan. Preparation of a Local Plan is a statutory requirement. There are defined legal requirements that must be met in plan making which are considered when the plan is examined by a Government Planning Inspector. Risks associated with Local Plan making are set out in the Local Development Scheme.

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 further progression of a Master Vision as an element of a Local Plan will directly impact on end users. The impacts will be analysed via an Equalities Impact Assessment (EqIA) to be prepared alongside each key stage of plan making.

Conclusions

A Master Vision has been prepared and consulted on for the regeneration and growth of Swanley and Hextable. Consultation responses provide sufficient support for progressing work as part of the new Local Plan.

Appendices

Appendix 1 - Public Consultation Written Report - Lake Market Research

Appendix 2 - Summary of key issues raised in stakeholder responses

Appendix 3 - Minutes of the Sevenoaks District Local Strategic Partnership. Held at SDC Offices, 29 September 2016

Appendix 4 - Groups of people visiting the drop-

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in sessions for the Swanley and Hextable Master Vision

Appendix 5 - Key messages from young people at Downsview Primary School

Background Papers

[Report to Planning Advisory Committee - 7 July 2015 - Local Plan work programme](#)

[Report to Planning Advisory Committee - 20 July 2016 - Swanley and Hextable Masterplan](#)

Richard Morris
Chief Officer for Planning

Appendix 1

**SEVENOAKS DISTRICT COUNCIL
MASTER VISION FOR SWANLEY AND
HEXTABLE
PUBLIC CONSULTATION
WRITTEN REPORT**

Prepared by Lake Market Research for Sevenoaks District Council

Date: December 2016

This report complies with ISO: 20252 standards and other relevant forms of conduct



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1. BACKGROUND, OBJECTIVES AND RESEARCH CONTEXT

1.1 BACKGROUND AND OBJECTIVES

Sevenoaks District Council has prepared a 'Master Vision' to be used in the development and regeneration of Swanley and Hextable. This 'Master Vision' was informed by the results of a consultation carried out in February 2016 during which a number of priorities were identified.

In order to accurately quantify residents' views and opinions of the proposals, a further public consultation was undertaken encompassing an online questionnaire and self-completion postal questionnaire running from 7th September to 2nd November 2016.

As part of the consultation, Sevenoaks District Council held six drop in sessions in Swanley and Hextable and various other events throughout September and October engaging with different stakeholders. This gave local people the opportunity to see the Master Vision and understand its place in planning policy and also talk to SDC staff about the plans. The public consultation was promoted throughout the area and public participation in the events was encouraged to enable people to understand the vision and ask any questions before completing the consultation questionnaire. It is estimated that these sessions attracted over 1,000 people and additional consultation questionnaires were also distributed to attendees.

The questionnaire was divided into eight sections with each section including a detailed description and images (where possible) of the proposals. Respondents were then asked to indicate their level of agreement with a number of proposals within each section.

The primary objective was to ascertain and understand the views of residents and business owners in Swanley and the surrounding areas on the proposed improvements to Swanley town centre and for the wider Swanley town and Hextable Parish.

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In order to achieve this, SDC commissioned Lake Market Research to manage the survey process including distributing the postal questionnaire, managing the online survey, processing and analysing all submissions to produce an independent and impartial report detailing the views of residents.

In addition a smaller scale consultation was undertaken to reach out to and include views from younger people. With support from the Head Teacher at Orchards Academy in Swanley, a secondary school serving the local area, staff from Sevenoaks District Council and Lake Market Research were granted to access engage with children on this topic.

1.2 METHODOLOGY

In order to ensure that all residents had an equal opportunity to give their view, 9,800 households and businesses within the 'BR8 7' and 'BR8 8' postcode areas were invited to participate in the consultation via two methods:

- A self-completion paper questionnaire including a pre-paid return envelope sent out to a sample of 9,403 households and 397 businesses in the Swanley and Hextable area (addresses were provided by Sevenoaks District Council from its Local Land and Property Gazetteer).
- An online version of the questionnaire was published on the Sevenoaks District Council website for completion.
- To reach the more rural areas of Crockenhill lying outside of the specified postcode areas, the consultation questionnaires were distributed with the copies of the parish magazine by Crockenhill Parish Council; questionnaires were also made available in the Parish Council offices.

SDC encouraged multiple submissions from households so as to not limit responses to one response per household; responses from young people were also encouraged. If names and/or addresses were not provided on the questionnaires the submissions were excluded as stated on the final page of the questionnaire. If consultees completed both an online and paper version of the questionnaire, the latest submission received was processed and any previous submissions were discarded taking into account that the respondent may have changed their opinion.

Following a review of the data obtained from the main consultation, a secondary small consultation was undertaken to engage the younger age group at Orchards Academy. Staff at the school selected different classes from years seven, eight and nine (age range 11-14 years) to attend a presentation given by Sevenoaks District Council and subsequently the pupils completed a consultation questionnaire on a tablet supplied by Lake Market Research.

Parents and / or guardians were advised in advance that children attending the Orchards Academy maybe asked to participate in the consultation.

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The original consultation questionnaire was adapted slightly to use more child-friendly terminology; however, care was taken to avoid any alterations in wording that could change the meaning of the proposals.

Lake Market Research was on hand to assist the children with the operation of the tablets and answer any queries in relation to the questionnaire.

The survey comprised questions based on a rating scale from 'Strongly Agree' to 'Strongly Disagree' as well as a 'This does not affect me' option. Consultees were then given the opportunity to submit comments on the proposals in a free text area within the questionnaire. Lake Market Research has quantified these by grouping them into common themes.

All research conducted by Lake Market Research abides by the Code of Conduct and we are a member of the Market Research Society.

1.3 SAMPLING

The **confidence interval** (also called margin of error) is the plus-or-minus figure usually reported. For example, if you use a confidence interval of 4 and 47% percent of your sample picks an answer you can be "sure" that if you had asked the question of the entire relevant population between 43% (47-4) and 51% (47+4) would have picked that answer. The **confidence level** tells you how sure you can be. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain. Most researchers use the 95% confidence level.

Confidence Level	95%
Sample Size	1,816
Population	22,485*
Percentage	50%
Confidence Interval	+/- 2.2%

*We have assumed that the majority of pupils who participated in the consultation at Orchards Academy reside in the five wards of Swanley and Hextable.

When we put together the confidence level and the confidence interval and using the worse case scenario where the answer is completely divided 50/50, we can say that we are 95% sure that the true percentage of the population (22,485) would answer between 47.8% and 52.2% (+/- 2.2%). Therefore, this can be considered a robust sample.

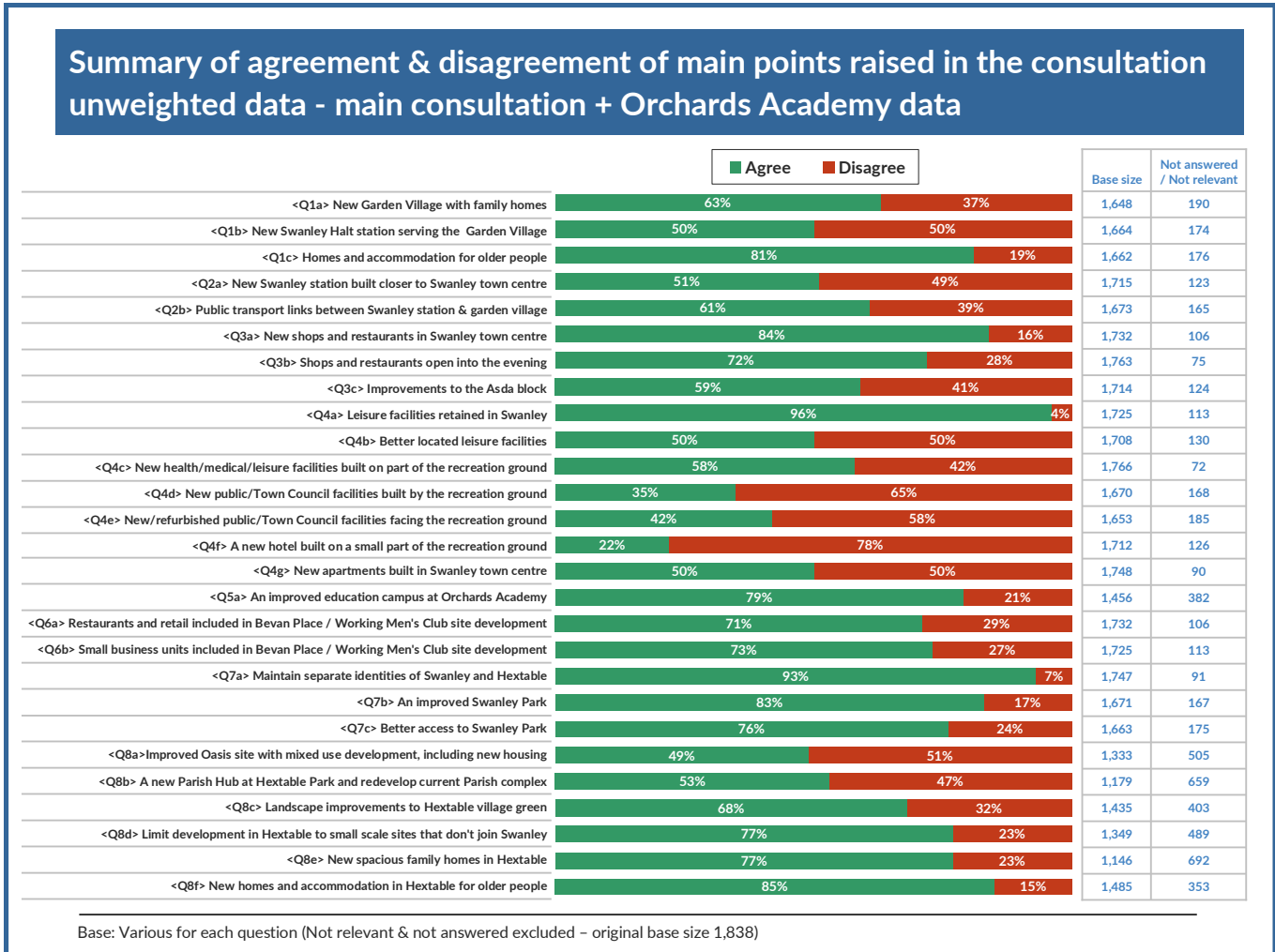
1.4 ACKNOWLEDGEMENTS

We would like to thank all those who took the time to complete the consultation documentation.

2. EXECUTIVE SUMMARY

2.1 SUMMARY OF RESULTS

The following summary chart shows the level of agreement and disagreement with the 27 proposals put forward in the questionnaire.



Some 20 out of the 27 proposals were supported by more than 50% of residents with 10 proposals being supported by three-quarters of consultees.

Two proposals received over 90% support, namely retaining leisure facilities in Swanley which achieved the highest level of agreement at 96% followed by maintaining separate identities of Swanley, Hextable and Swanley Village through green and open spaces with 93% agreement.

The proposal with the highest level of disagreement was the idea of building a hotel on a small part of the recreation ground with 78% of respondents opposing this and 22% supporting it. Almost two-thirds (65%) of consultees did not agree with building new public / Town Council facilities alongside open space on the recreation ground while 35% supported it.

There are three proposals which produced mixed results with 50% of respondents agreeing and 50% disagreeing, these are:

- The development of a Swanley Halt station serving the new Garden Village
- Better located leisure facilities
- New apartments built in Swanley town centre

3. CONSULTATION RESPONSE PROFILE

In total 1,838 people responded to the consultation. The main consultation comprised 1,731 submissions of which 1,399 were paper questionnaire completions and 332 online questionnaire completions; there were 107 submissions from Orchards Academy completed on a tablet. In terms of the main consultation the majority (99%) of the consultees were either residents or business owners within the Swanley and Hextable area and we have assumed that the younger age group who participated in the consultation at Orchards Academy are residents of the local area.

The respondent profile below shows the breakdown of those responding to the consultation:

Profile of respondents	
Gender	
Male	41%
Female	54%
Prefer not answer	5%
Age	
Under 16	6%
16 - 17	0%
18 - 24	2%
25 - 34	7%
35 - 44	11%
45 - 54	15%
55 - 64	19%
65 and over	33%
Prefer not answer	9%
Disabled as set out in Equality Act 2010	
Yes	11%
No	69%
Prefer not answer	20%
Sevenoaks District Council Wards	
Hextable	22%
Swanley Christchurch and Swanley Village	27%
Swanley St Mary's	15%
Swanley White Oak	23%
Crockenhill and Well Hill	6%
Incomplete / outside five main wards	1%
Orchards Academy	6%
Method of completion	
Paper	76%
Online	18%
Tablets at Orchards Academy	6%

Base: All answering (1,838)

The respondent profile below shows the breakdown of those responding to the consultation compared to the demographic profile of the local area according to 2014 population estimates (*Mid-2014 Population Estimates for 2014 Wards in England and Wales, Source: Office for National Statistics*).

Profile of respondents vs. profile of area

Gender	Consultation Response	Profile of Area
Male	41%	48%
Female	54%	52%
Prefer not answer	5%	0%

Age	Consultation Response	Profile of Area
Under 16	6%	18%
16 - 17	0%	2%
18 - 24	2%	8%
25 - 34	7%	12%
35 - 44	11%	12%
45 - 54	15%	15%
55 - 64	19%	13%
65 and over	33%	20%
Prefer not answer	9%	0%

Sevenoaks District Council Wards	Consultation Response	Profile of Area
Hextable	22%	18%
Swanley Christchurch and Swanley Village	27%	26%
Swanley St Mary's	15%	20%
Swanley White Oak	23%	28%
Crockenhill and Well Hill	6%	9%

4. AGREEMENT WITH MASTER VISION

This section of the report summarises the level of agreement or disagreement with each of the proposals. The following charts show unweighted data (N=1,838) with consultees indicating their views.

The charts show the level of agreement and disagreement with each proposal. The 'Agree' portion of the charts merge the consultees who selected 'Strongly Agree' and 'Agree' within the questionnaire and the 'Disagree' portion of the charts merge consultees who selected 'Strongly Disagree' and 'Disagree' within the questionnaire.

The respondents who selected 'This does not affect me' or chose not to provide an answer have been excluded from the calculations pertaining to the percentages used to generate the charts. Therefore, each question has a different base size (N=various) which is shown adjacent to each proposal in the charts, there is another column which shows the number of respondents who are excluded from percentage calculations.

Following the chart illustrating the levels of agreement and disagreement with each of the proposals, there is an additional chart summarising the free text comments made in question nine. These charts have been created by grouping common themes together and quantifying them in order to produce a chart representing the themes. In total there were comments made on 1,036 questionnaire submissions from the main consultation.

There were several comments made that do not relate to the consultation proposals so these have been excluded from the report.

4.1 SWANLEY AS A NEW 'GARDEN VILLAGE'

Plans for a new Swanley 'Garden Village' are described in the consultation as:

Swanley needs a variety of new homes including private housing to meet future needs, whether these are for first time buyers, families or for people in later life. This means new housing should be planned in a way that responds to these needs and is supported by a wide range of services and facilities.

The Master Vision looks at the potential for Swanley to have possible new housing to the east of Swanley as a new 'Garden Village' to reflect the horticultural heritage of the area with improved transport links and potentially a 'station halt'. The government has launched plans to promote Garden Villages. For Swanley, this could mean:

- *New spacious family friendly housing*
- *Housing supported by parks, play spaces, health and education*
- *Improving green spaces and access from them into the town*
- *Improved transport links*

The proposals are:

Q1a - New spacious and family friendly housing (garden village) with play and park areas outside of Swanley town centre

Q1b - Garden village to be served by a new linked 'Swanley Halt' station (in addition to the existing station) which would aim to reduce congestion and provide an alternative means of transport

Q1c - Homes and accommodation suitable for the needs of older people

Respondents were asked to indicate their level of agreement with the above proposals:

Q1 - Swanley as a new 'Garden Village'

How much do you agree that the Master Vision should include the following?



Base: Various for each question (Not relevant & not answered excluded - original base size 1,838)

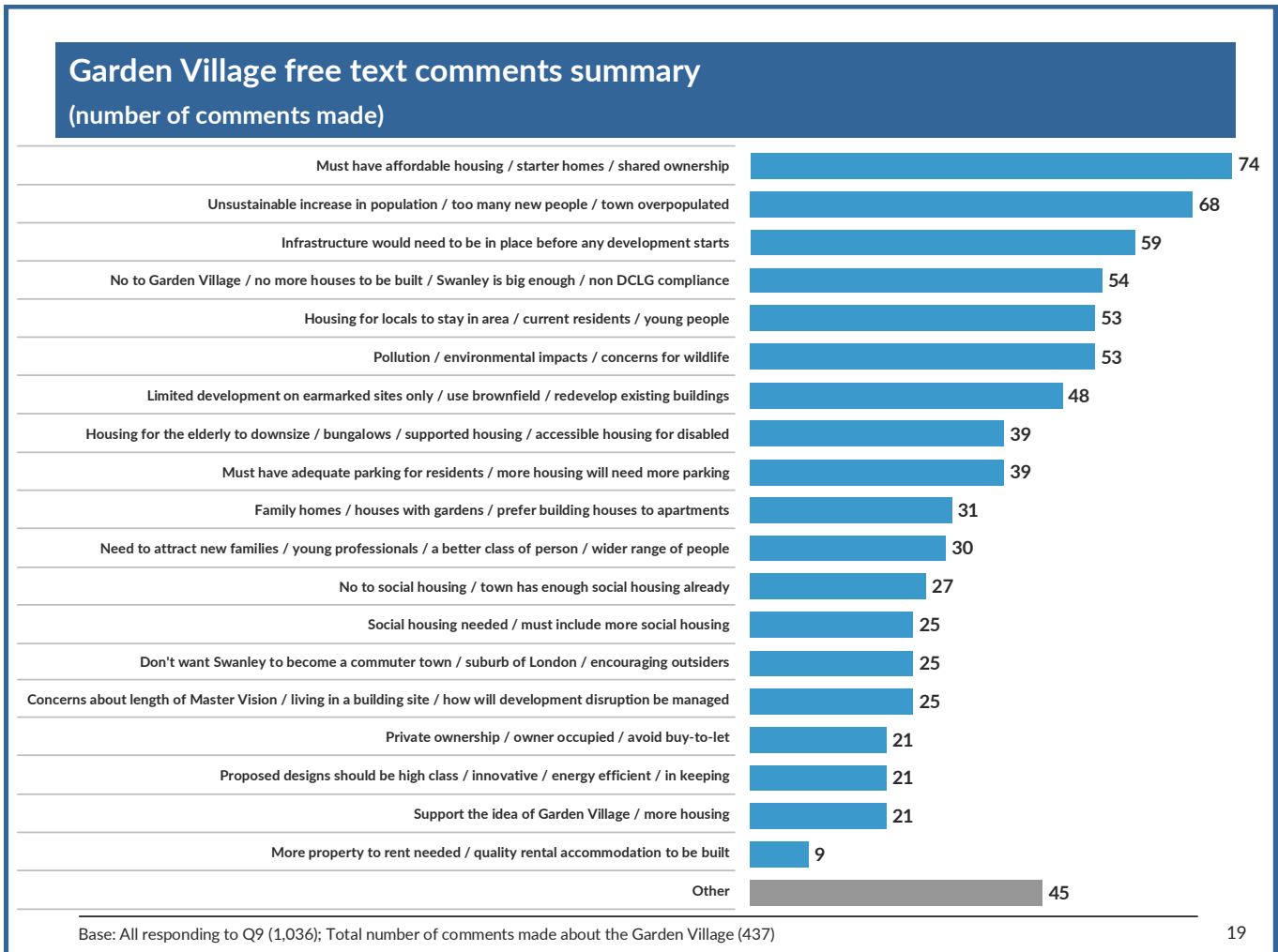
5

Almost two-thirds (63%) of respondents agreed with the idea of building new spacious family friendly housing located in the proposed new garden village.

There was a mixed response to the proposal entailing building a new Swanley Halt station serving the garden village with both 50% agreeing and disagreeing.

The majority (81%) of consultees were supportive of the idea of providing homes and accommodation suitable for the needs of older people.

The following chart quantifies the free text comments made relating to proposals for a new Garden Village:



4.2 TRANSPORT

Plans for transport are described in the consultation as:

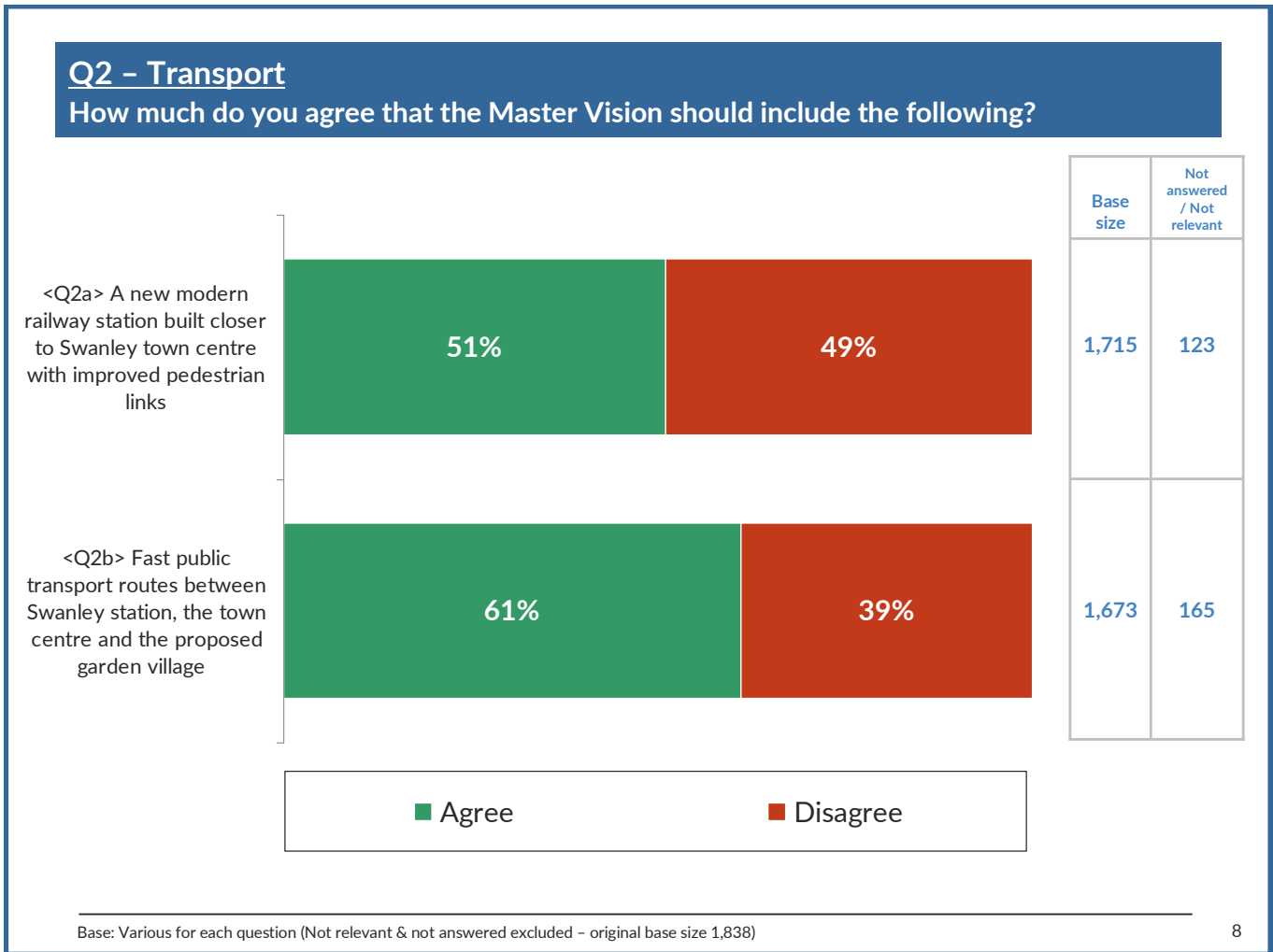
Congestion, particularly near the roundabout junction of the M25 and A20 needs to be improved. However, Swanley is very well placed to make the most of its transport connections. There are opportunities to improve the quality of, and access to, the railway station and its connection to the town centre and while improving public transport alternatives to keep more traffic off the roads.

The proposals are:

Q2a - A new modern railway station built closer to Swanley town centre with improved pedestrian links

Q2b - Fast public transport routes between Swanley station, the town centre and the proposed garden village

Respondents were asked to indicate their level of agreement with the above proposals:

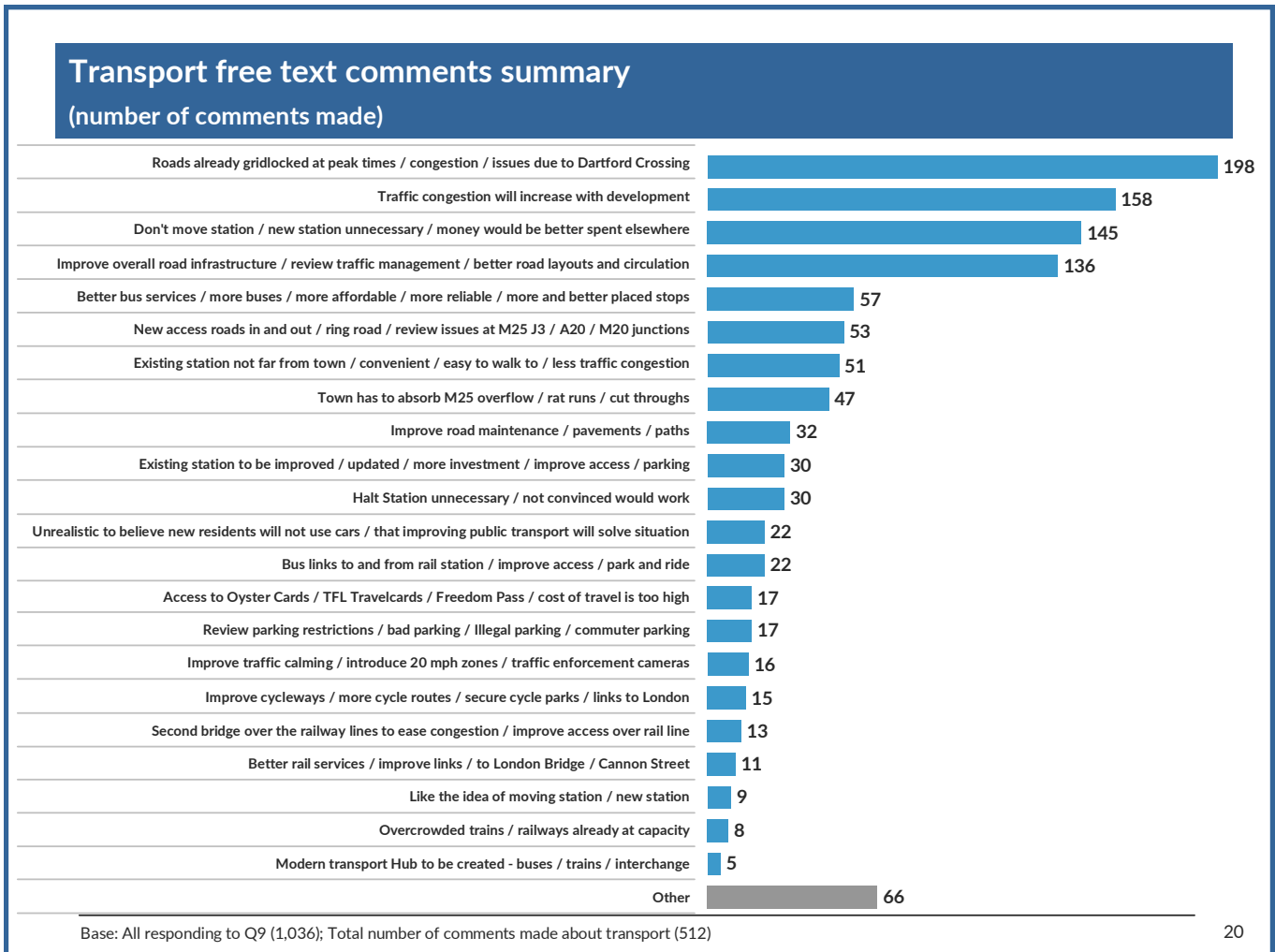


There was a mixed response to the idea of relocating the railway station closer to the town centre, however, a majority of 51% were in agreement with this.

Fast public transport routes between Swanley station, the town centre and the proposed garden village were agreed by 61% of respondents.

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The following chart quantifies the free text comments made relating to the proposals for transport:



20

4.3 SWANLEY TOWN CENTRE

Plans for Swanley town centre are described in the consultation as:

Swanley town centre has potential for a greater number and range of shops, services and facilities including new and improved public spaces and streets. There is scope to improve access to the town centre. Potential investment in the town centre and the redevelopment of the former Swanley Working Men's Club site and car park in Bevan Place may provide early opportunities to help achieve this.

The proposals are:

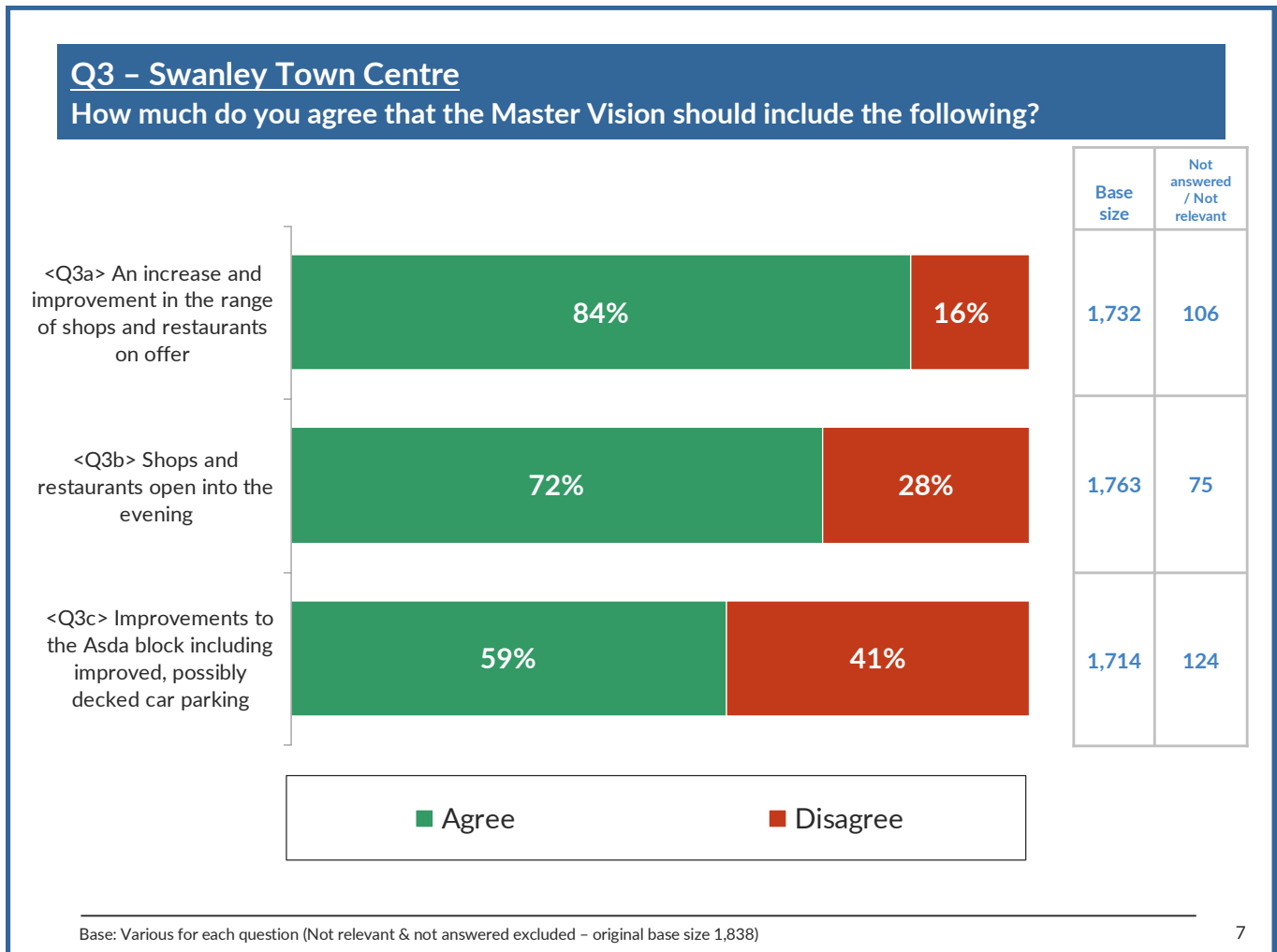
Q3a - An increase and improvement in the range of shops and restaurants on offer

Q3b - Shops and restaurants open into the evening

Q3c - Improvements to the Asda block including improved, possibly decked car parking

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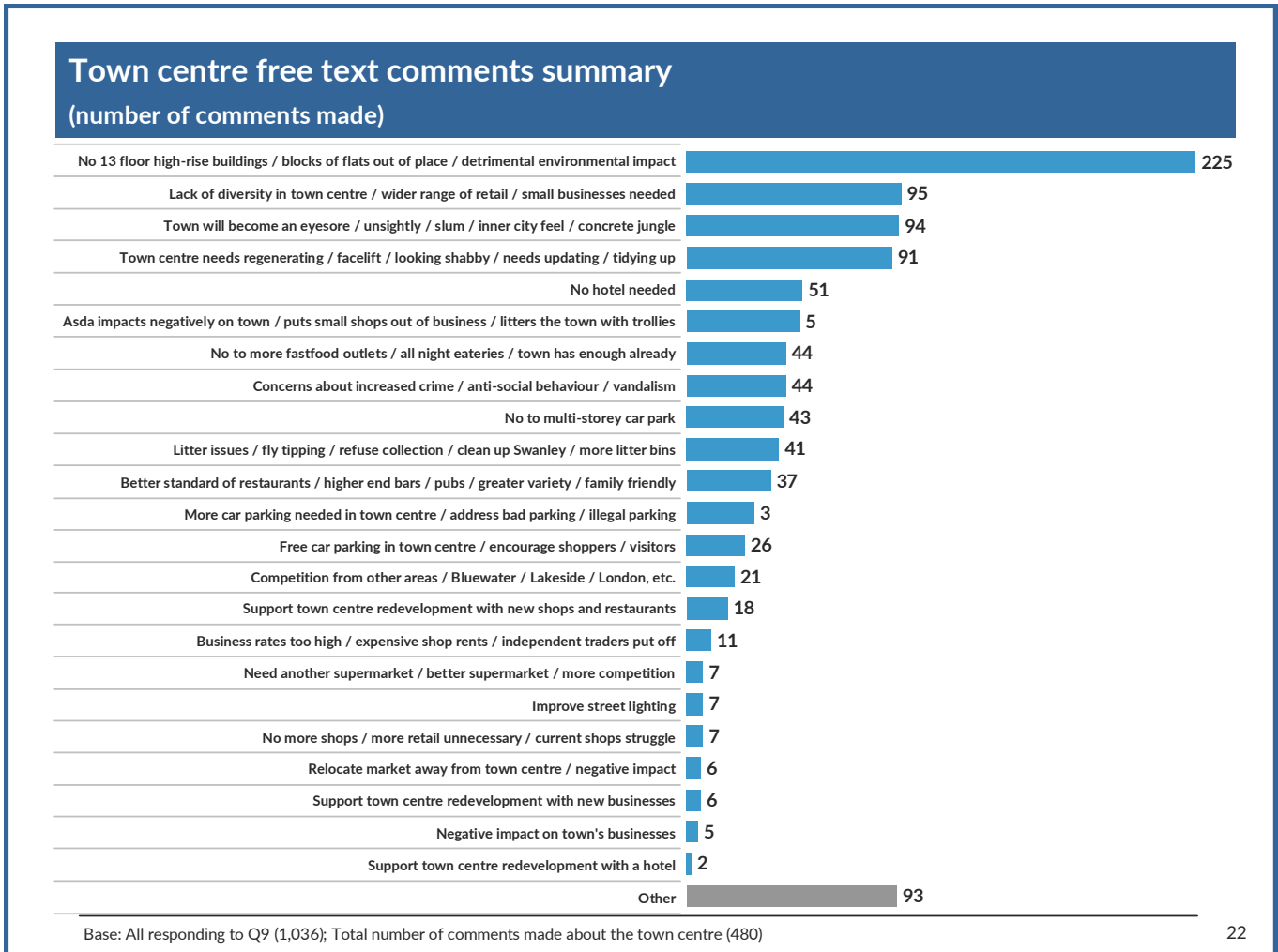
Respondents were asked to indicate their level of agreement with the above proposals:



There was a high level of agreement with the proposal to increase and improve the range of shops and restaurants available at 84%.

Almost three-quarters (72%) of respondents were in agreement with shops and restaurants opening into the evening while 59% of consultees supported the idea of improving the Asda block.

The following chart quantifies the free text comments made relating to the proposals for Swanley town centre:



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4.4 NEW HEALTH / MEDICAL CENTRE, LEISURE CENTRE AND OTHER SERVICES

Plans for new health / medical centre, leisure centre and other services are described in the consultation as:

The Master Vision sets out the potential to make the recreation ground the focus of a new and public space with new health and leisure facilities. There could also be potential for a hotel. The majority of the recreation ground would be retained as an improved green open space that could be better used by local people. Any development would be built on the edge of the existing recreation ground and close to the proposed relocated Swanley station. Any of the recreation ground used for community facilities would have to be replaced elsewhere in Swanley.

The proposals are:

Q4a - Leisure facilities retained in Swanley

Q4b - Better use of the leisure facilities encouraged by locating them more centrally

Q4c - New health/medical and leisure facilities built on a small part of the existing recreation ground with the majority of the recreation ground retained as an improved public open space

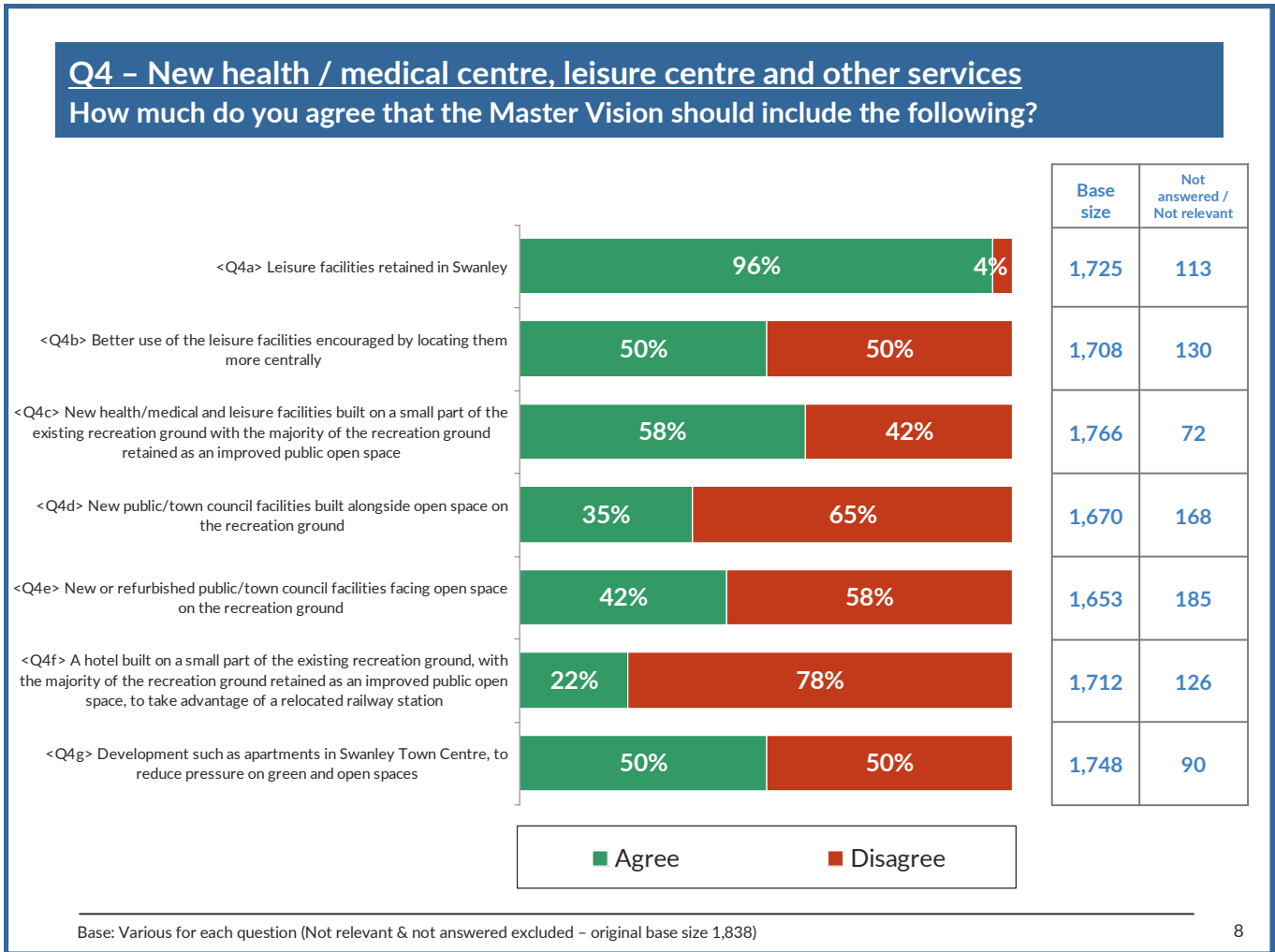
Q4d - New public/town council facilities built alongside open space on the recreation ground

Q4e - New or refurbished public/town council facilities facing open space on the recreation ground

Q4f - A hotel built on a small part of the existing recreation ground, with the majority of the recreation ground retained as an improved public open space, to take advantage of a relocated railway station

Q4g - Development such as apartments in Swanley Town Centre, to reduce pressure on green and open spaces

Respondents were asked to indicate their level of agreement with the above proposals:



Leisure facilities being retained in Swanley achieved the highest agreement level of all 27 proposals with 96% agreeing. By comparison the view on whether to relocate leisure facilities more centrally was divided with 50% of respondents agreeing and 50% disagreeing.

58% of respondents supported new health / medical and leisure facilities built on a small part of the recreation ground with the majority of the recreation ground being retained as improved public open space.

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Just over a third (35%) of respondents agreed with building new public / Town Council facilities alongside open space on the recreation ground while 65% disagreed.

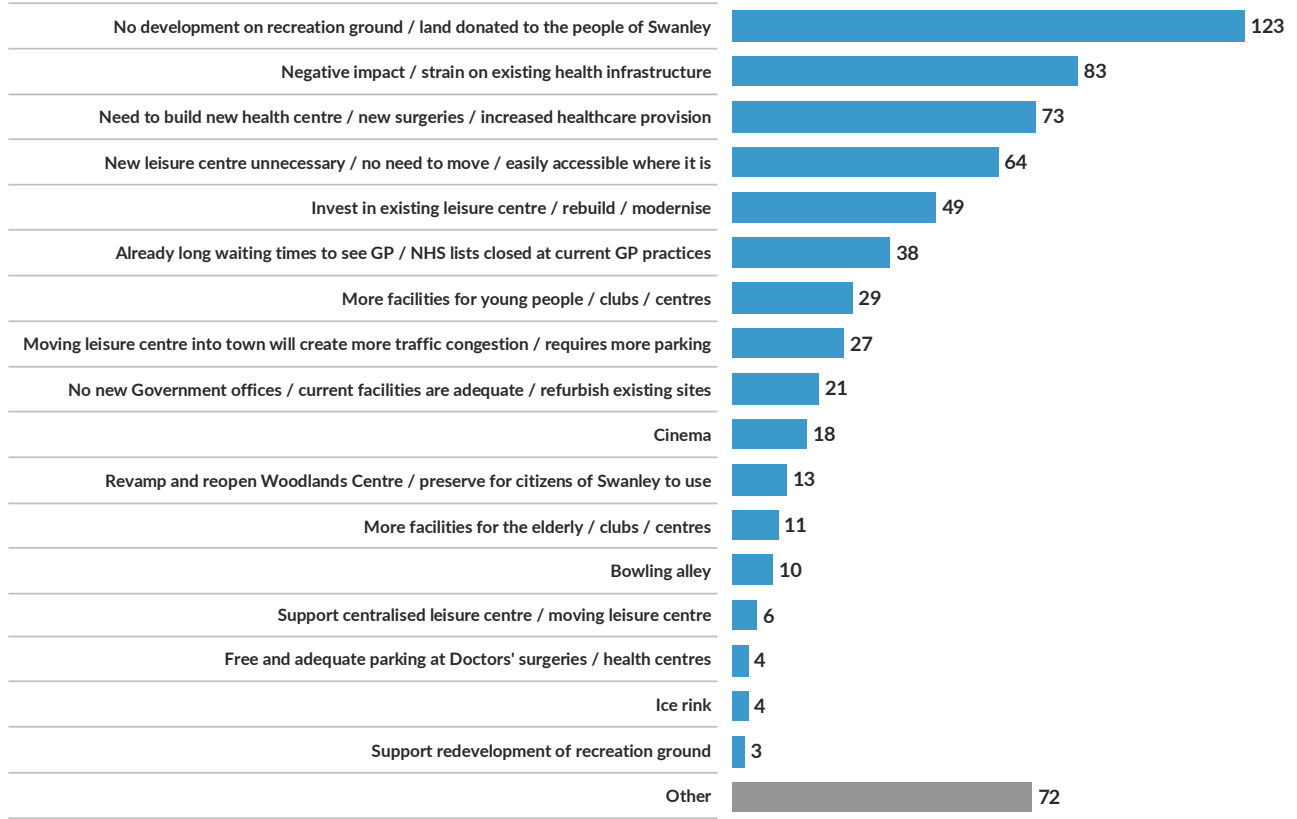
In relation to building new or refurbishing existing public / Town Council facilities facing open space on the recreation ground, 42% of consultees agreed with this and 58% disagreed.

The proposal with the highest level of disagreement was the idea of building a hotel on a small part of the recreation ground at 78% although 22% agreed with this.

Development such as apartments in Swanley town centre received a mixed response with 50% agreeing and 50% disagreeing.

The following chart quantifies the free text comments made relating to the proposals concerning a new health / medical centre, leisure centre and other services:

Health centre, leisure centre, other services free text comments summary (number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about the health centre, leisure centre, other services (348)

24

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4.5 EDUCATION

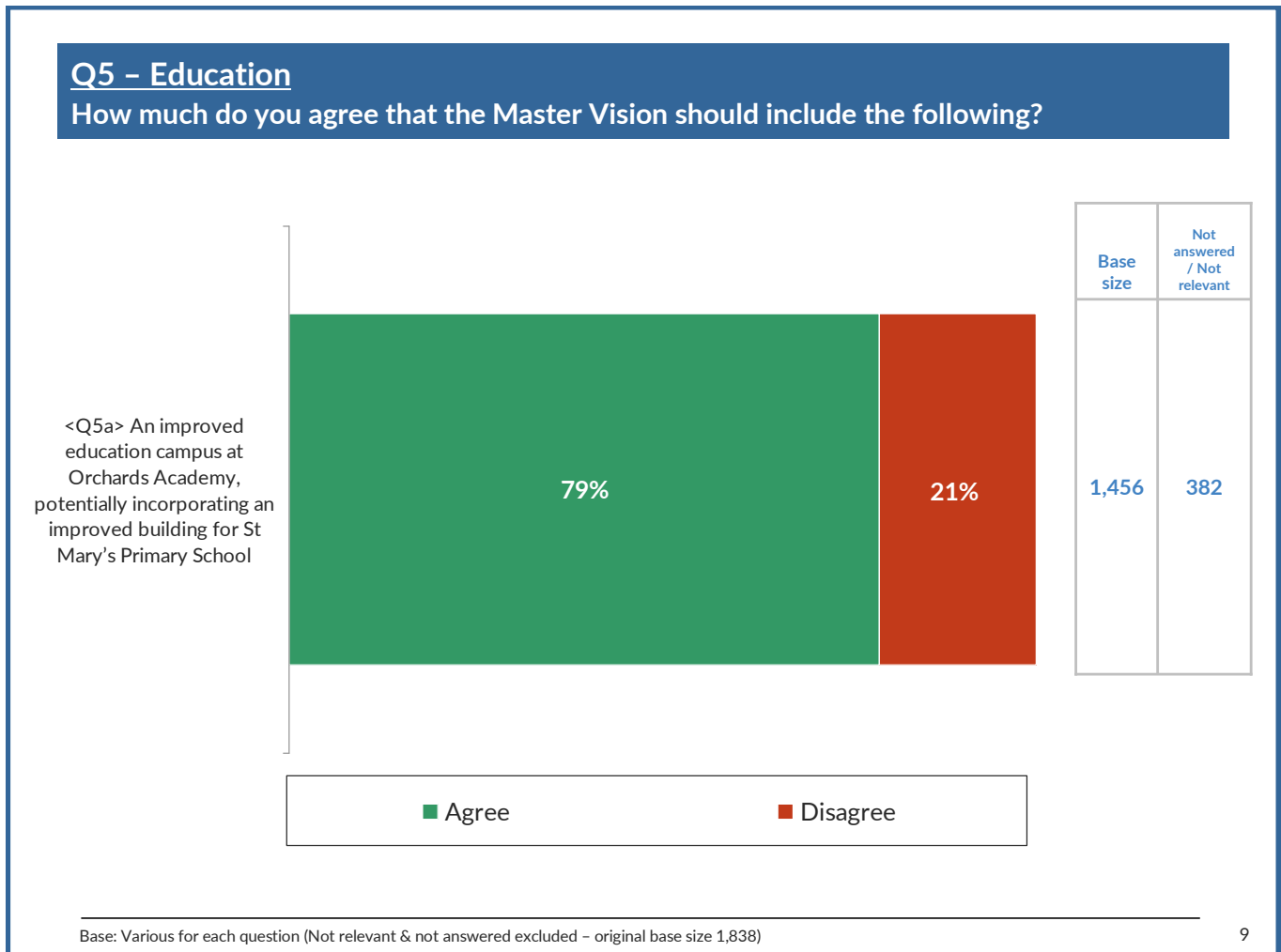
Plans for education are described in the consultation as:

The Master Vision recognises that the Orchards Academy and St Mary's Primary School are key education providers. The Master Vision could enable them, if they wished, to improve their facilities through relocation and redevelopment. The current Local Plan recognises the need for additional primary school places to meet future demand. It also recognises that Secondary school facilities should be rebuilt and refurbished to ensure that they are fit for future use.

The proposal is:

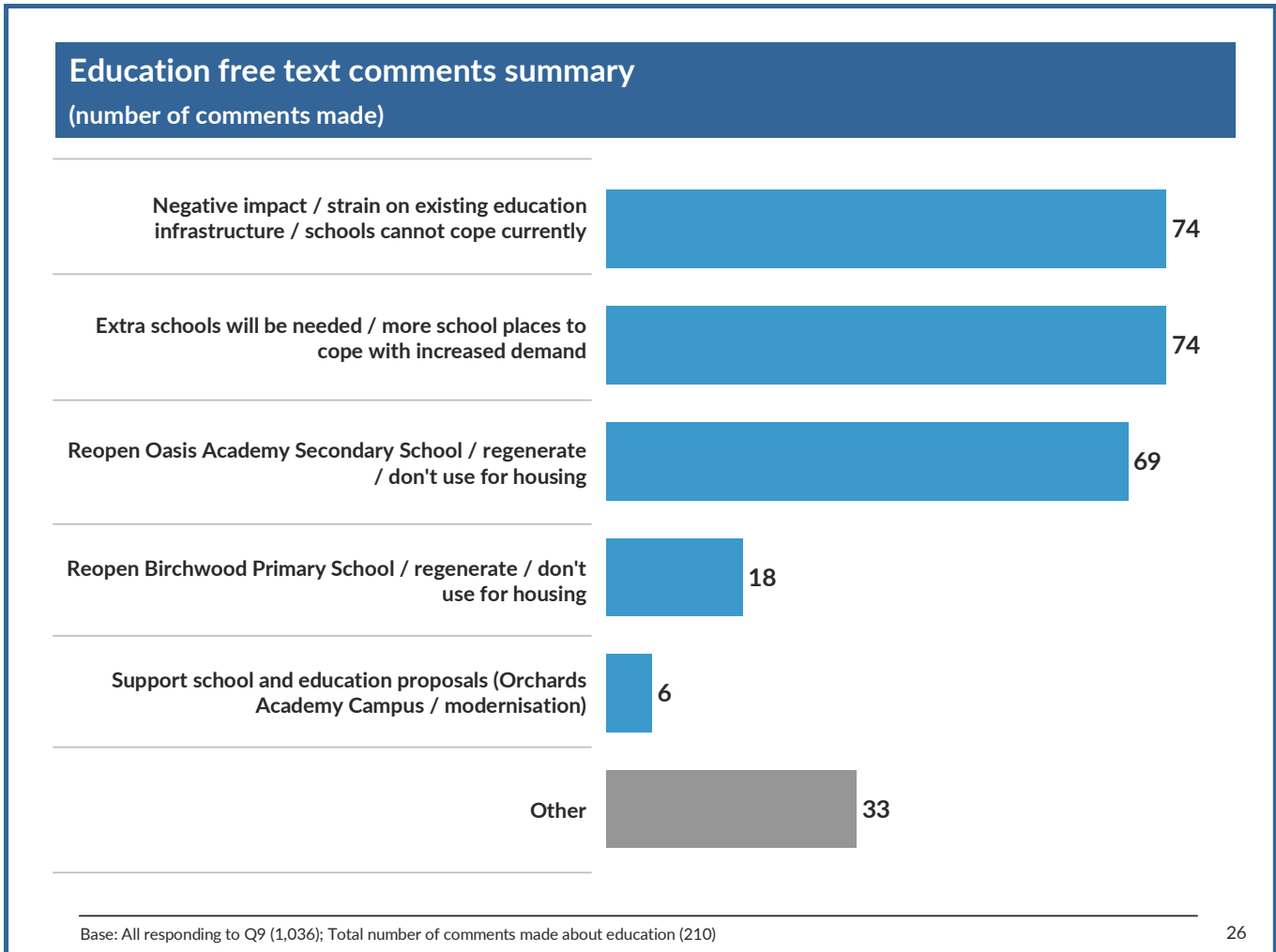
Q5a - An improved education campus at Orchards Academy, potentially incorporating an improved building for St Mary's Primary School

Respondents were asked to indicate their level of agreement with the above proposals:



A strong majority of 79% were in agreement with the proposal to improve the education campus at Orchards Academy.

The following chart quantifies the free text comments made relating to the proposals for education:



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4.6 NEW GATEWAY TO SWANLEY TOWN CENTRE

Plans for the new Gateway to Swanley town centre are described in the consultation as:

Sevenoaks District Council recently bought the former Swanley Working Men's Club site in the High Street, having owned the neighbouring Bevan Place Car Park for many years.

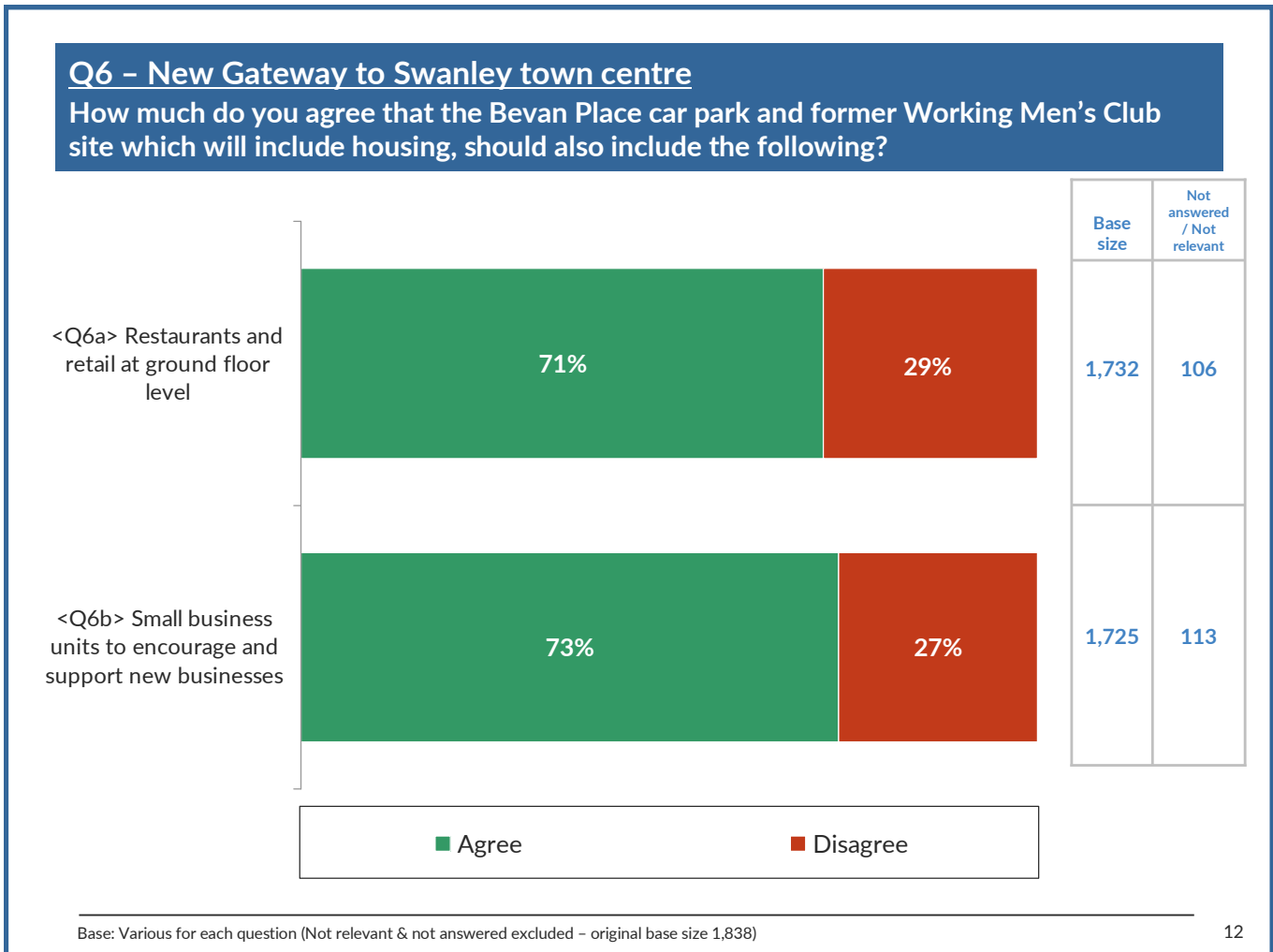
The Bevan Place Car Park and Working Men's Club site is designated for housing in the Local Plan. The Local Plan recognises that this is likely to be best provided by residential apartment blocks.

The proposals are:

Q6a - Restaurants and retail at ground floor level

Q6b - Small business units to encourage and support new businesses

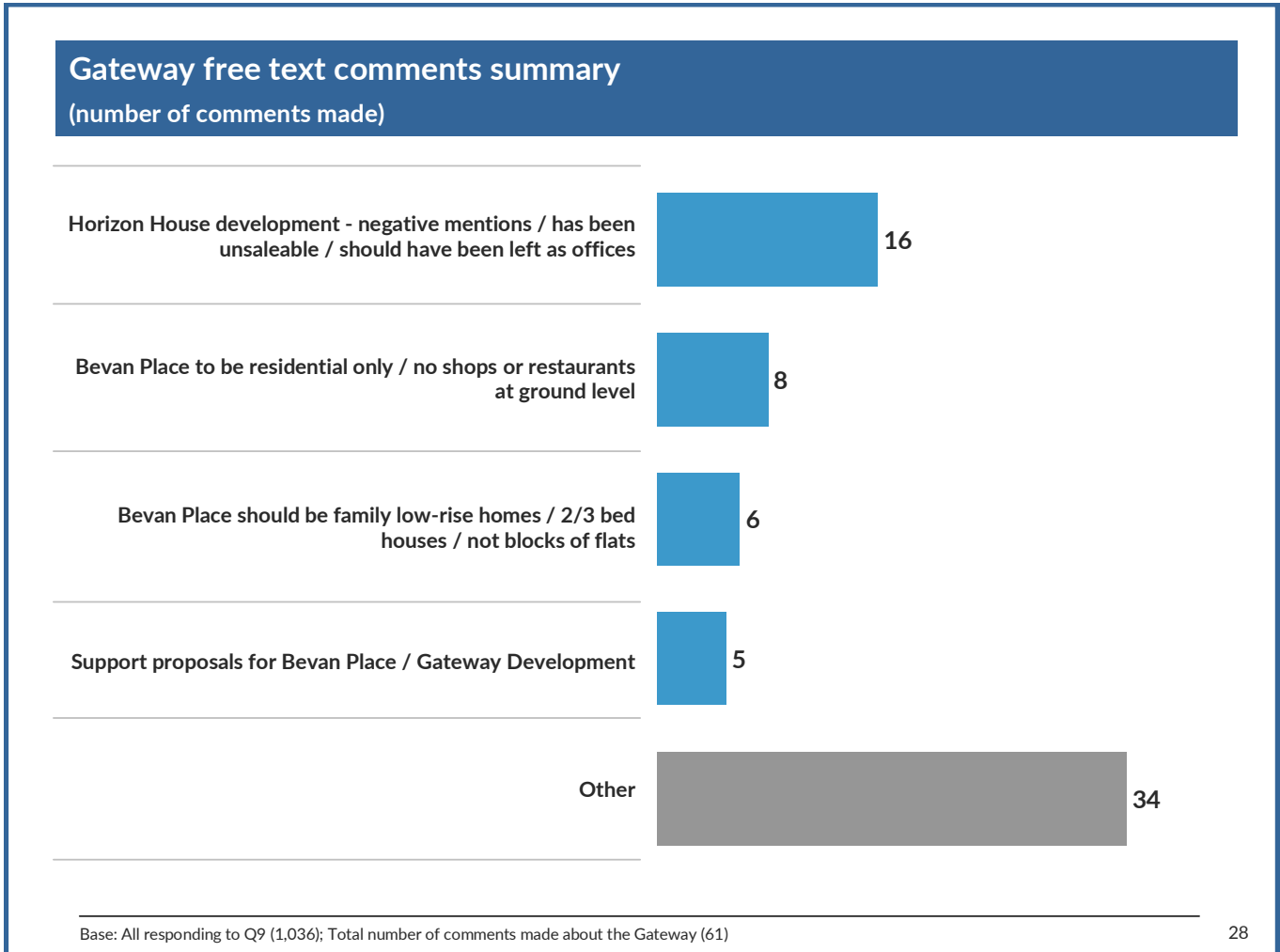
Respondents were asked to indicate their level of agreement with the above proposals:



Development of Bevan Place was supported by over two-thirds of consultees. 71% were in agreement with including restaurants and retail at ground floor level on the former Working Men’s Club site and 73% agreed with developing small business units to encourage and support new businesses.

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The following chart quantifies the free text comments made relating to proposals for a new Gateway to Swanley town centre:



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4.7 GREEN AND OPEN SPACE

Plans for green and open space are described in the consultation as:

The Master Vision sets out to improve access to Swanley Park, potentially including a new car park on the south side of Swanley Park. It includes possible plans for an all weather path suitable for cyclists and pedestrians through the Avenue of Limes to enhance access between Swanley and Hextable. It also includes a possible option of a new outdoor sports hub on the Birchwood School site.

The proposals are:

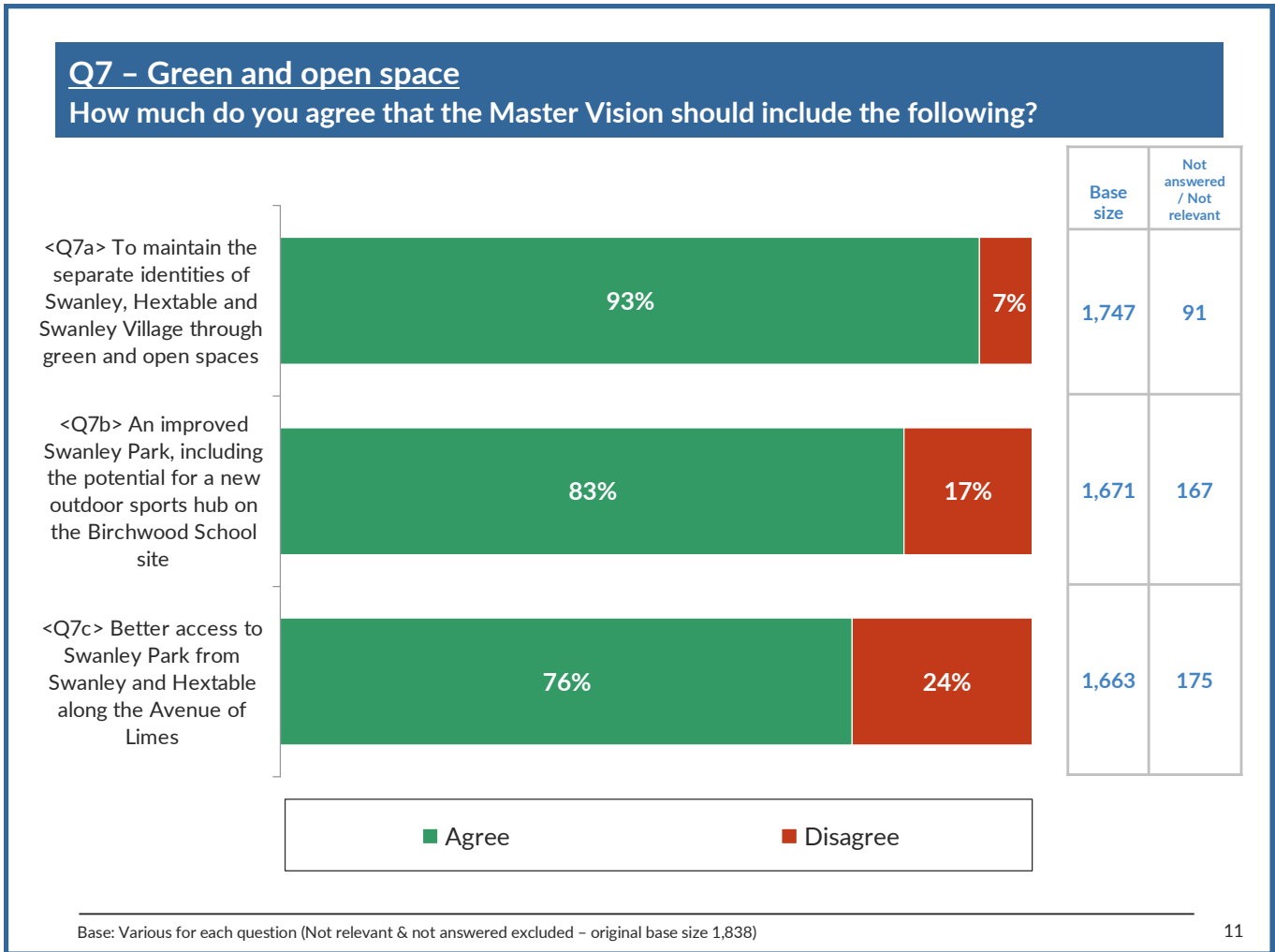
Q7a - To maintain the separate identities of Swanley, Hextable and Swanley Village through green and open spaces

Q7b - An improved Swanley Park, including the potential for a new outdoor sports hub on the Birchwood School site

Q7c - Better access to Swanley Park from Swanley and Hextable along the Avenue of Limes

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Respondents were asked to indicate their level of agreement with the above proposals:



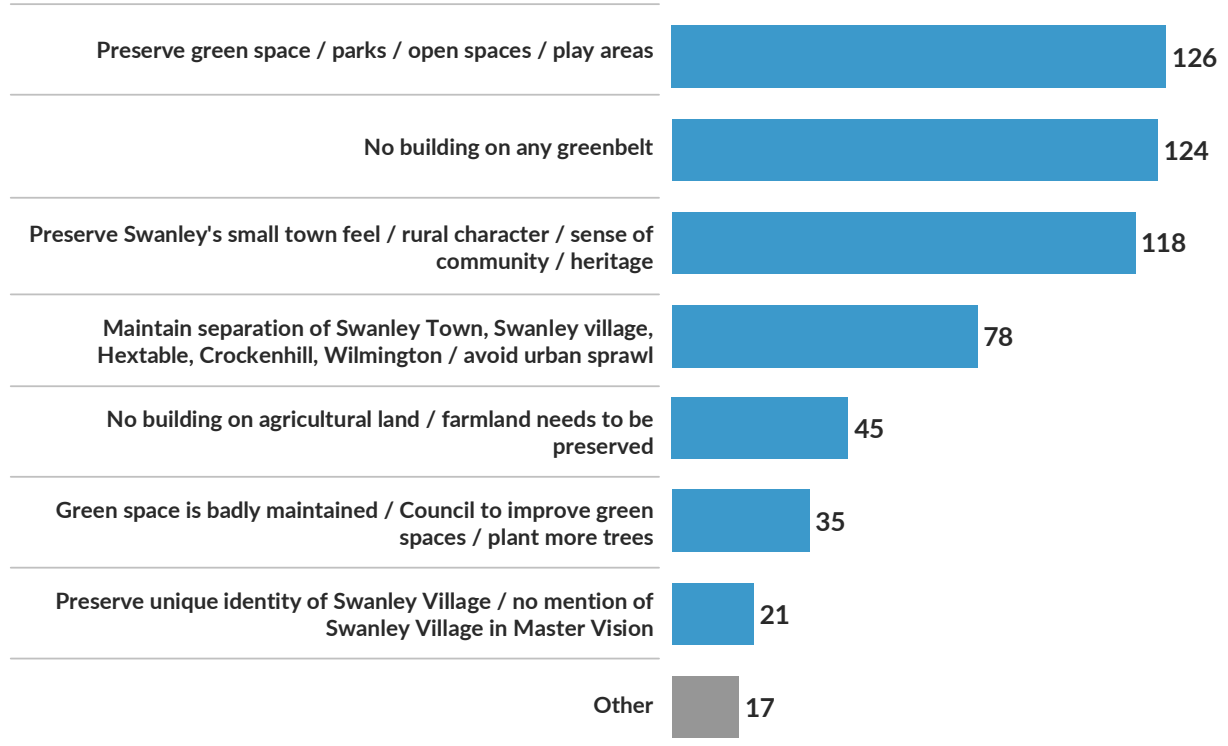
Maintaining separate identities of Swanley, Hextable and Swanley Village through green and open spaces achieved the second highest level of agreement at 93%.

Some 83% of respondents supported the idea of improving Swanley Park including the potential for a new outdoor sports hub.

Over three-quarters (76%) of consultees agreed with improving access to Swanley Park from Swanley and Hextable along the Avenue of Limes.

The following chart quantifies the free text comments made relating to proposals for green and open space:

Green and open space free text comments summary
(number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about green and open space (366)

30

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4.8 HEXTABLE

Plans for Hextable are described in the consultation as:

The Master Vision identifies Swanley and Hextable as two places with their own communities and social networks. Green spaces and Swanley Park act as a green corridor between Swanley and Hextable, which should be retained, with access across Swanley and Hextable improved for all.

The current Local Plan already recognises the need to improve infrastructure in Hextable. This includes the provision of Primary School places and a single healthcare facility which is needed to provide capacity for the existing population. There is an opportunity for the redevelopment of the current Parish Council Complex with a new Hextable Parish hub and Hextable Park.

The Master Vision identifies Hextable village green as an attractive space affected by traffic in the Dartford Road with some areas that are fenced off, overgrown and unusable. To the west of the village Hextable Gardens provides an attractive open space linked to the parish office, former Horticulture College and village hall. This forms part of the wider area of green space between Swanley and Hextable (including Swanley Park).

The proposals are:

Q8a - Opportunity to improve the Oasis Academy site to create new mixed use development, including housing

Q8b - A new Hextable Parish Hub potentially at Hextable Park and redevelopment of the current Parish Council complex

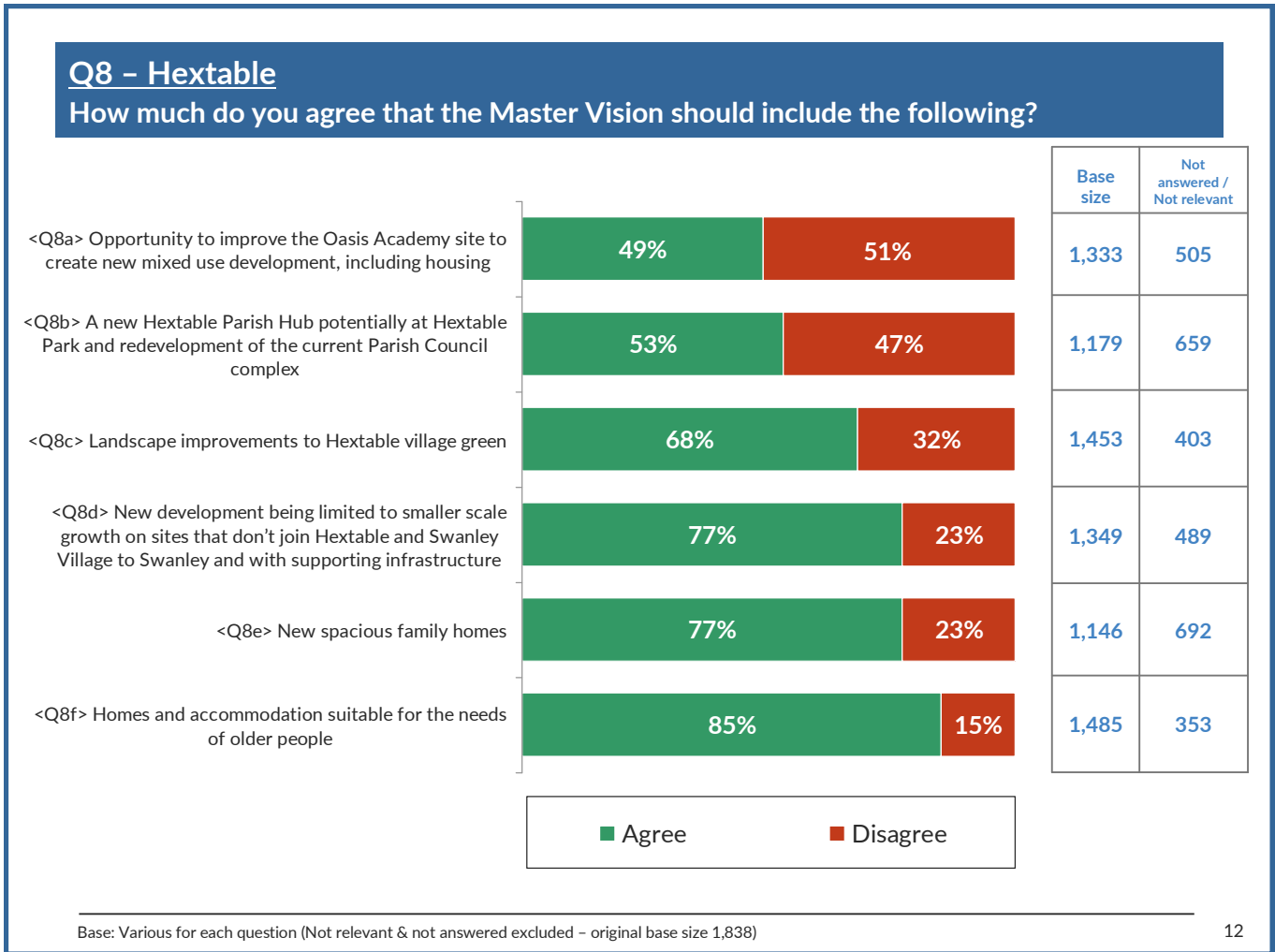
Q8c - Landscape improvements to Hextable village green

Q8d - New development being limited to smaller scale growth on sites that don't join Hextable and Swanley Village to Swanley and with supporting infrastructure

Q8e - New spacious family homes

Q8f - Homes and accommodation suitable for the needs of older people

Respondents were asked to indicate their level of agreement with the above proposals:



There are notably lower base sizes for the questions in this section of the consultation concerning Hextable due to a larger proportion of respondents not choosing to answer or stating that these proposals do not affect them.

In relation to improving the Oasis Academy site to create mixed use development including housing, 49% agreed with this and 51% disagreed.

Over half (53%) of respondents supported the development of a new Hextable Parish Hub at Hextable Park and the redevelopment of the current Parish Council complex.

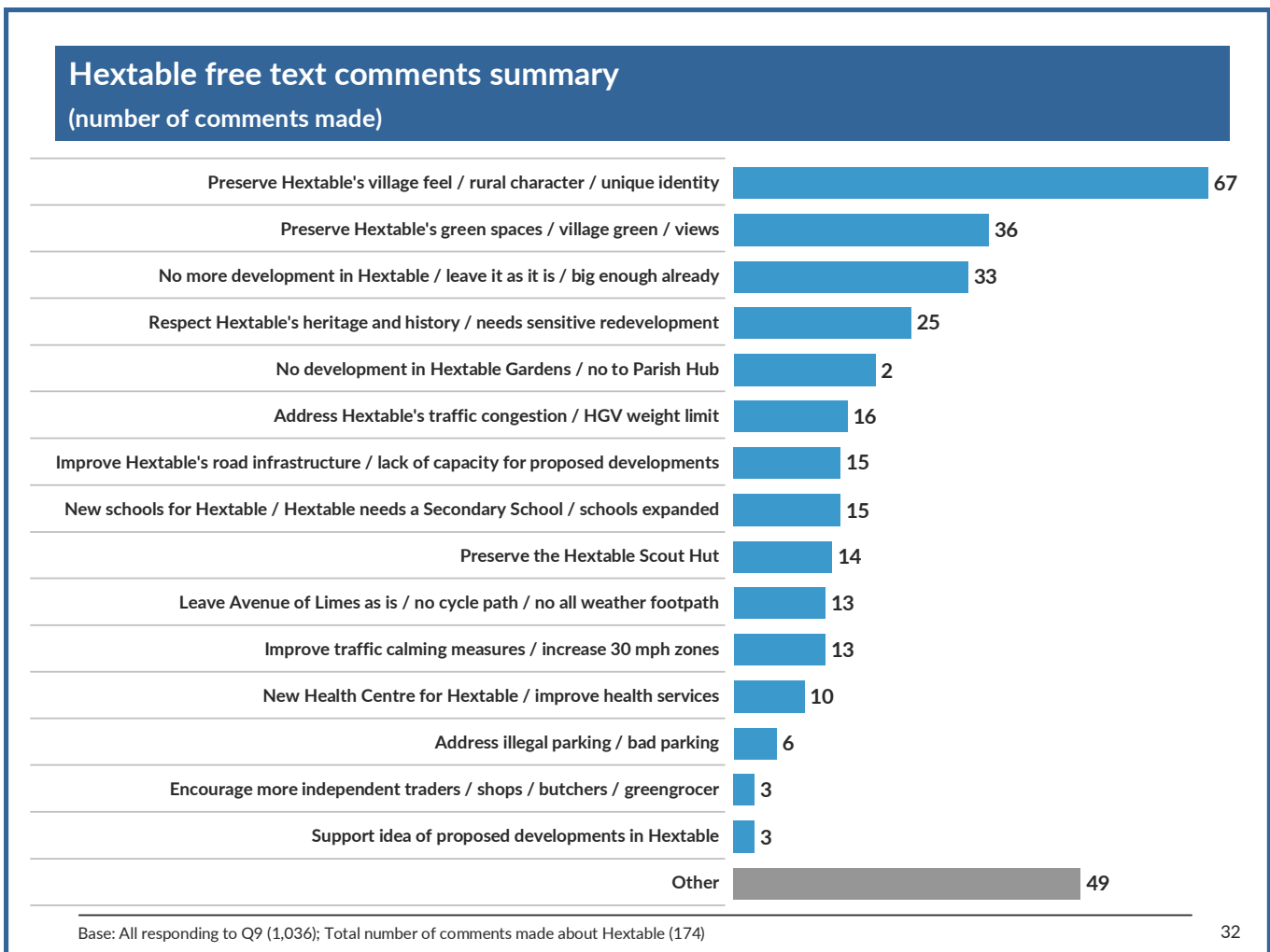
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Over two-thirds (68%) were in agreement with making landscape improvements to the village green in Hextable.

Over three-quarters (77%) of respondents were in agreement with two proposals, namely new development being limited to smaller scale growth on sites that don't join Swanley and Hextable and the development of new spacious family homes.

The most supported proposal in this section of the consultation and the proposal achieving the third highest level of agreement with 85% was providing homes and accommodation suitable for the needs of older people.

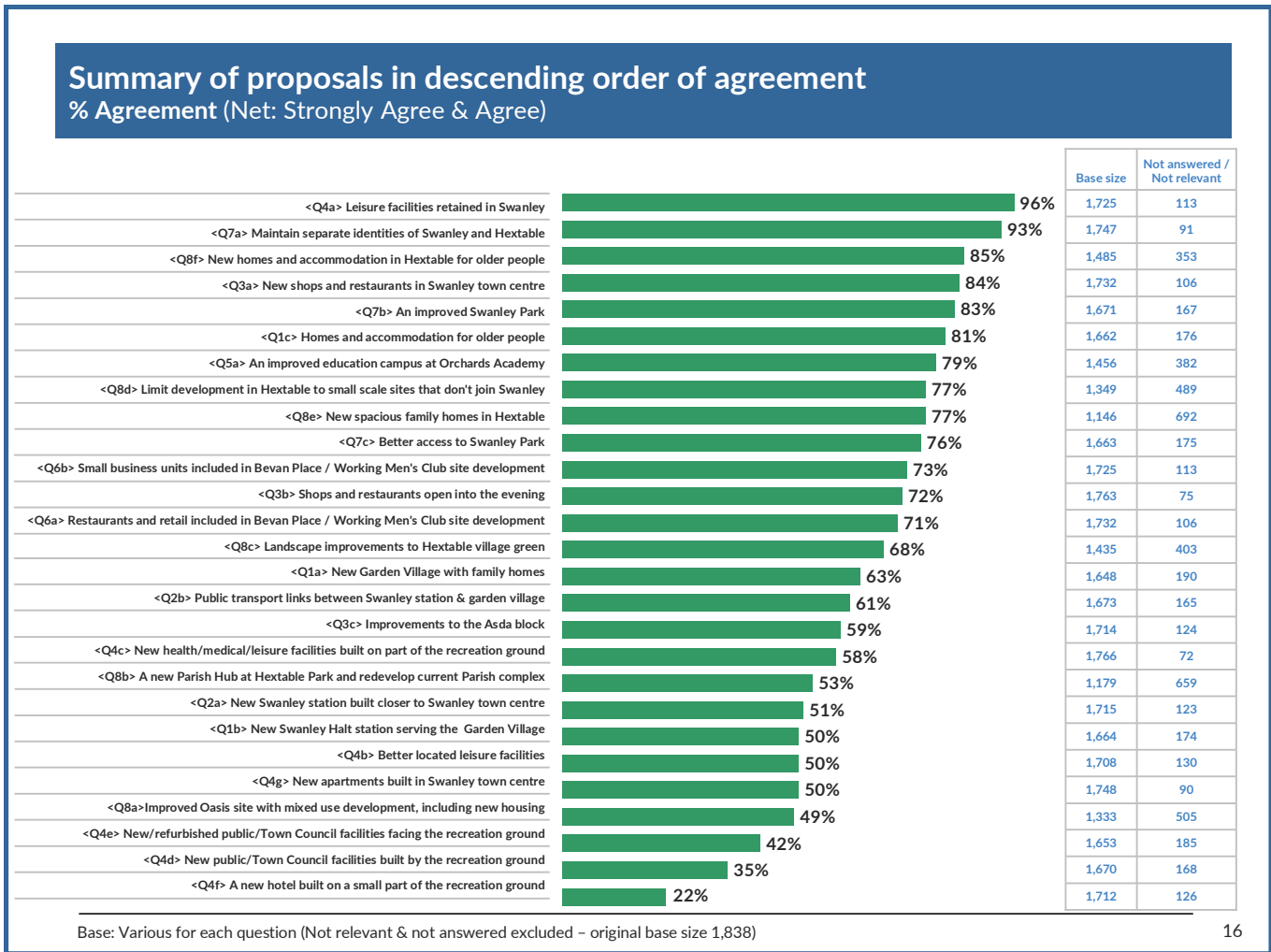
The following chart quantifies the free text comments made relating to the proposals for Hextable:



5. SUMMARY OF AGREEMENT WITH MASTER VISION

5.1 SUMMARY CHART FOR ALL PROPOSALS

The summary chart below shows the proportion of respondents agreeing with the proposals in descending order of level of agreement. 20 out of the 27 proposals achieved majority support at over 50% agreement.

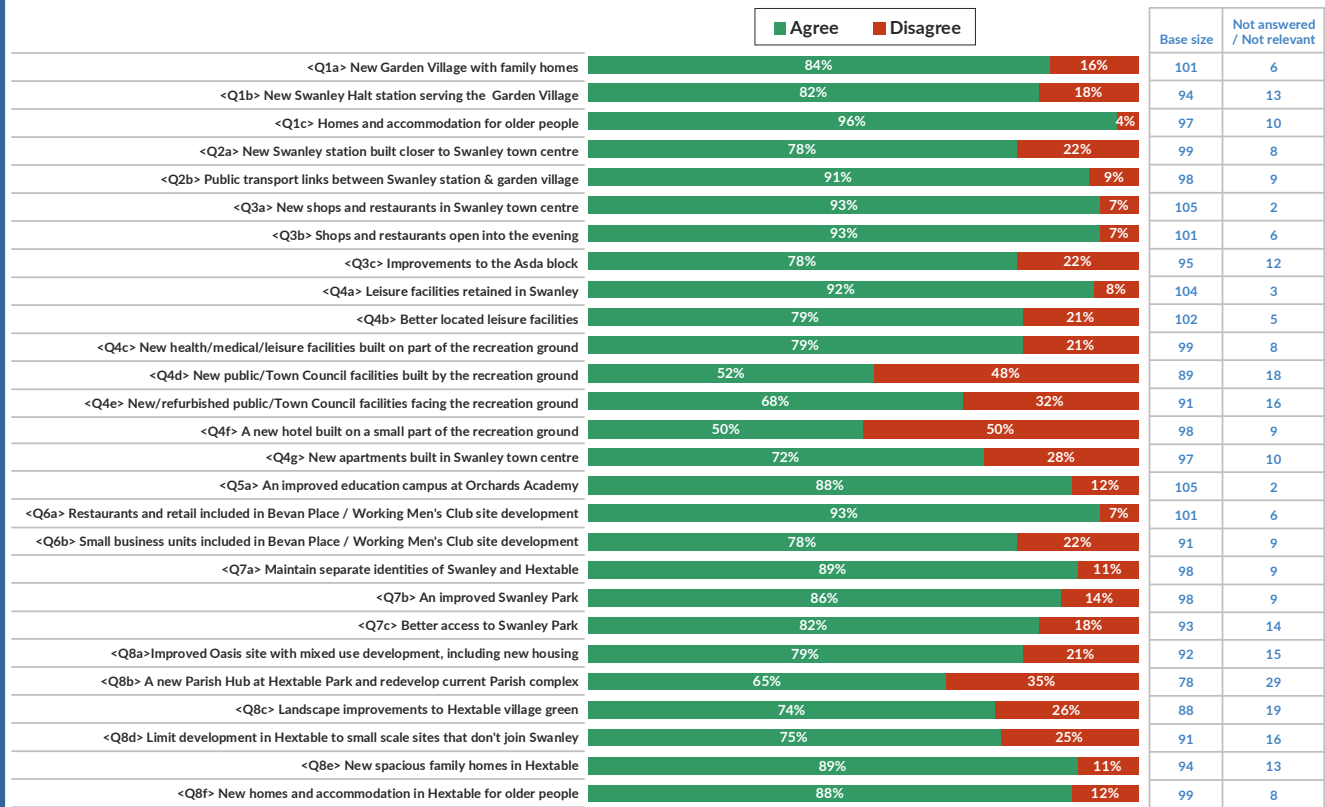


6. YOUNGER AGE GROUP MINI CONSULTATION

6.1 YOUNGER AGE GROUP SUMMARY CHART FOR ALL PROPOSALS

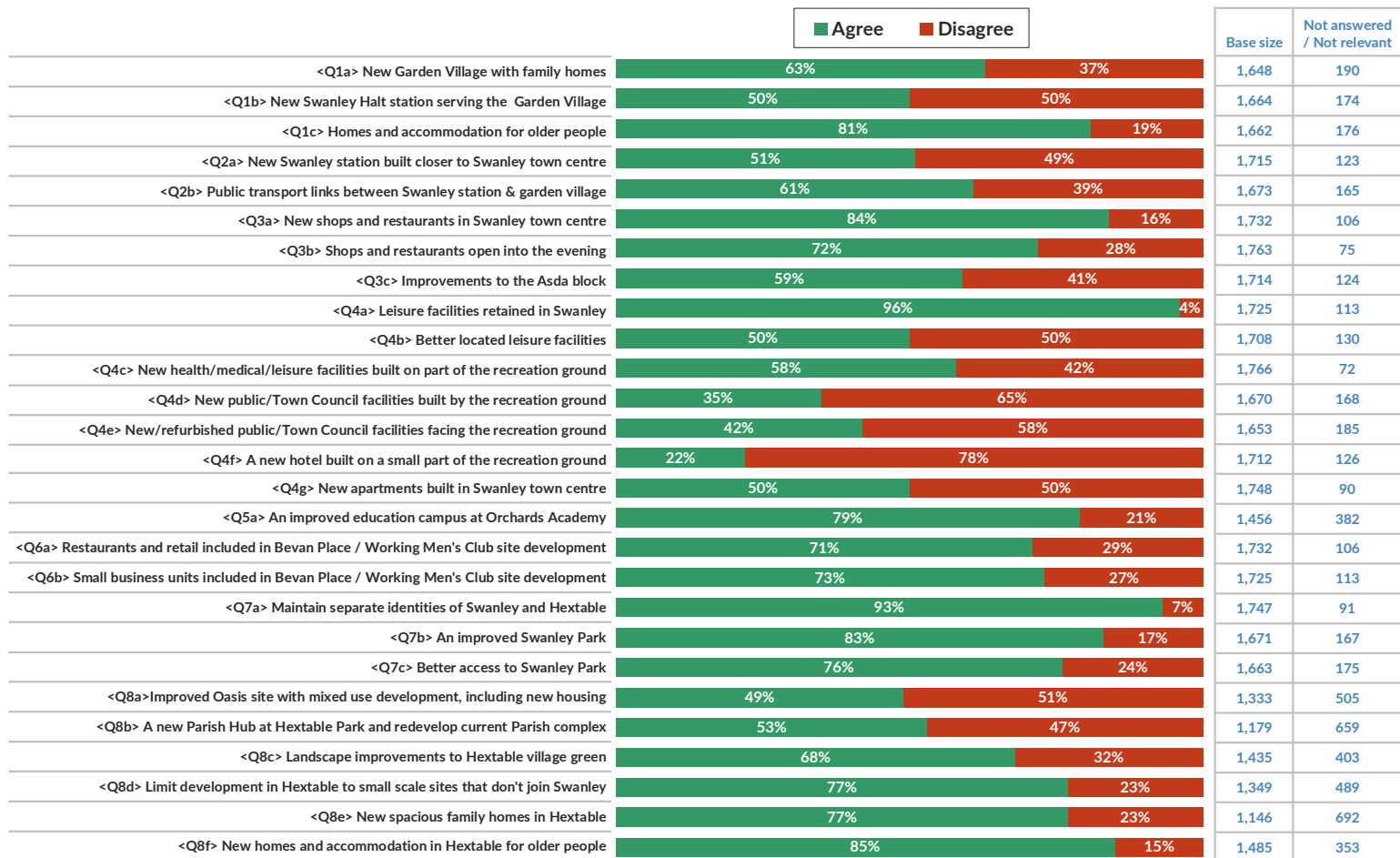
The summary chart below shows the level of agreement with the proposals for the younger age group in the consultation carried out at Orchards Academy.

Summary of agreement & disagreement of main points raised in the consultation unweighted data - Orchards Academy only



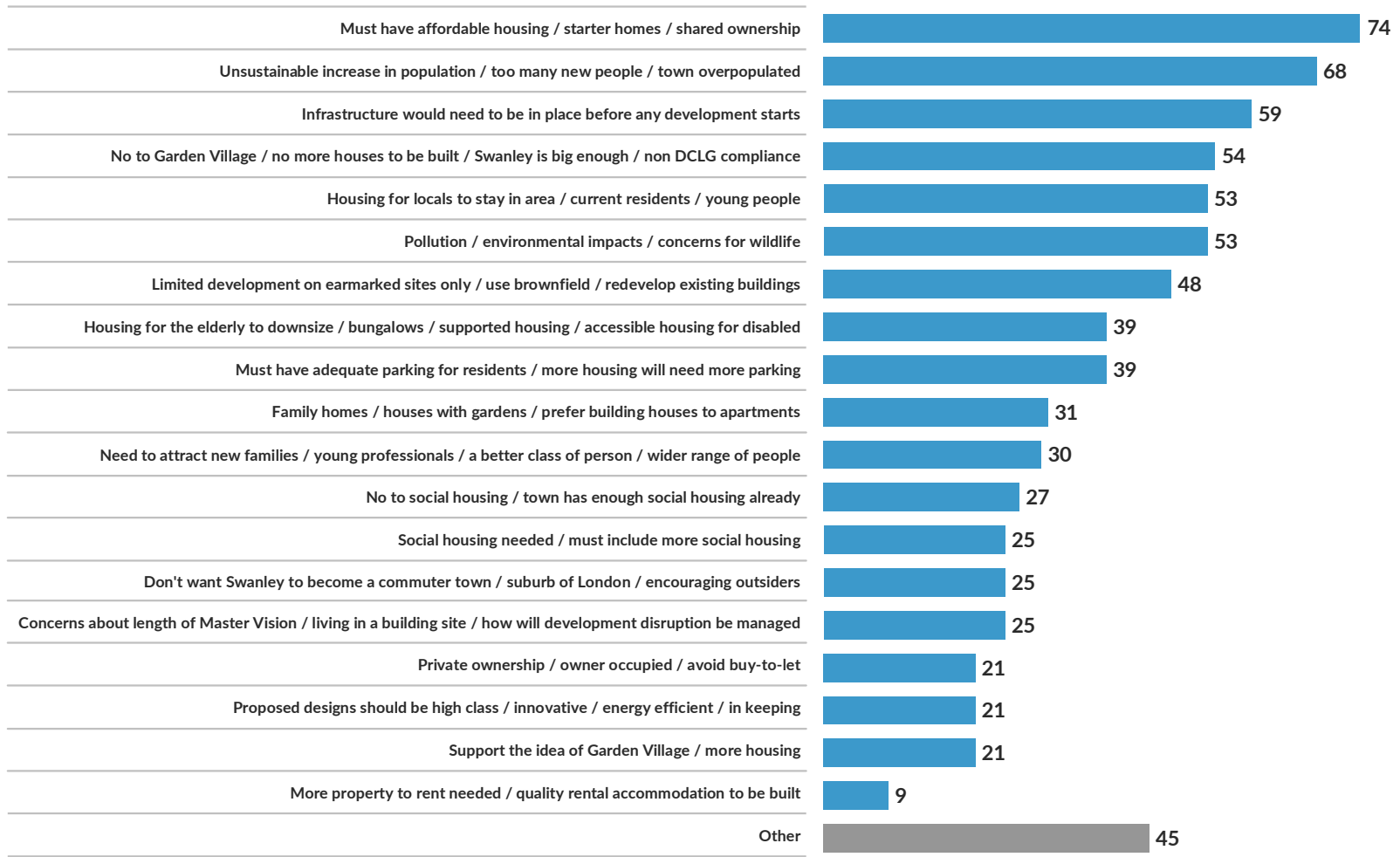
Base: Various for each question (Not relevant & not answered excluded - original base size 107)

Summary of agreement & disagreement of main points raised in the consultation unweighted data - main consultation + Orchards Academy data



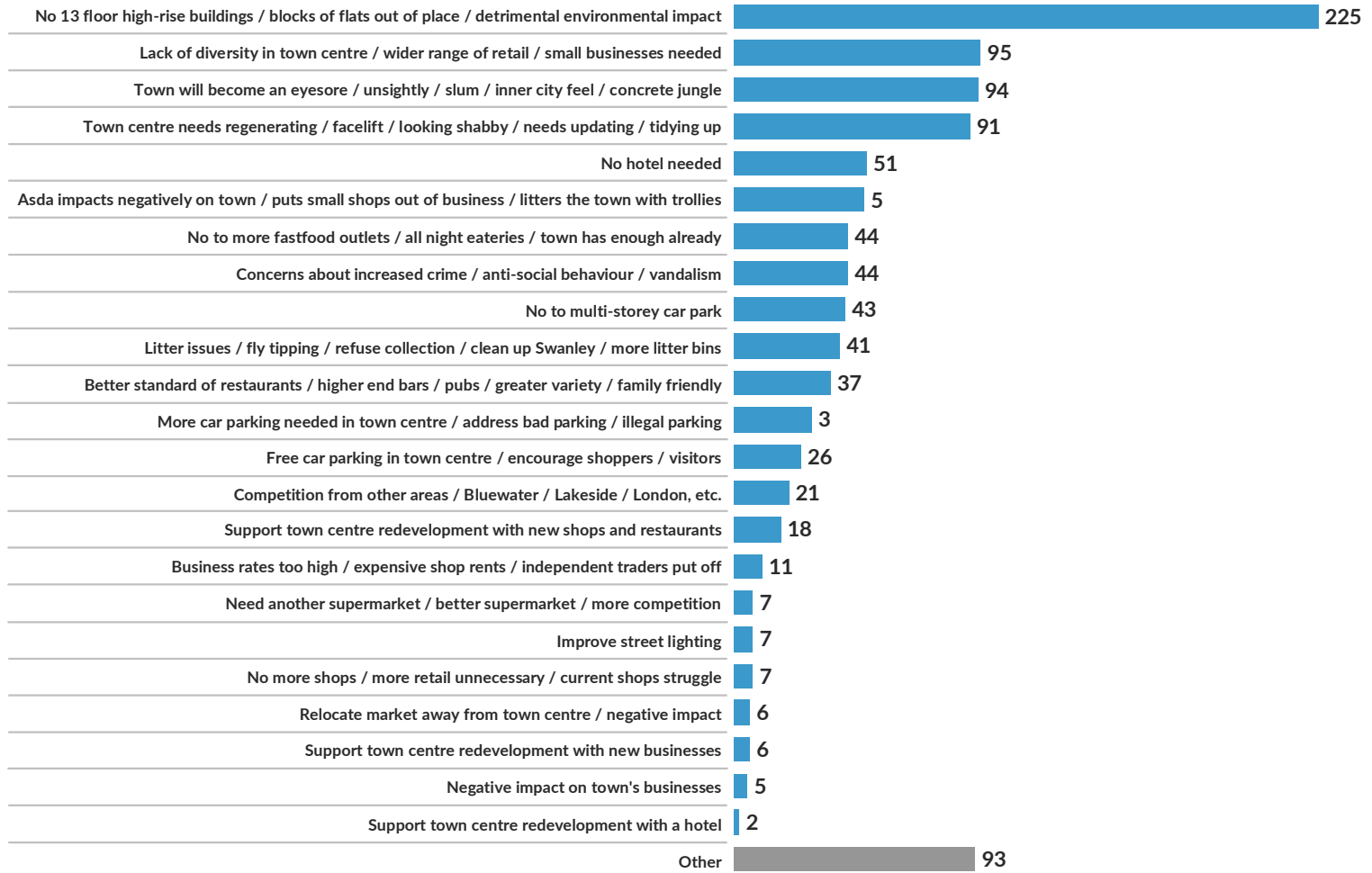
Base: Various for each question (Not relevant & not answered excluded - original base size 1,838)

Garden Village free text comments summary (number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about the Garden Village (437)

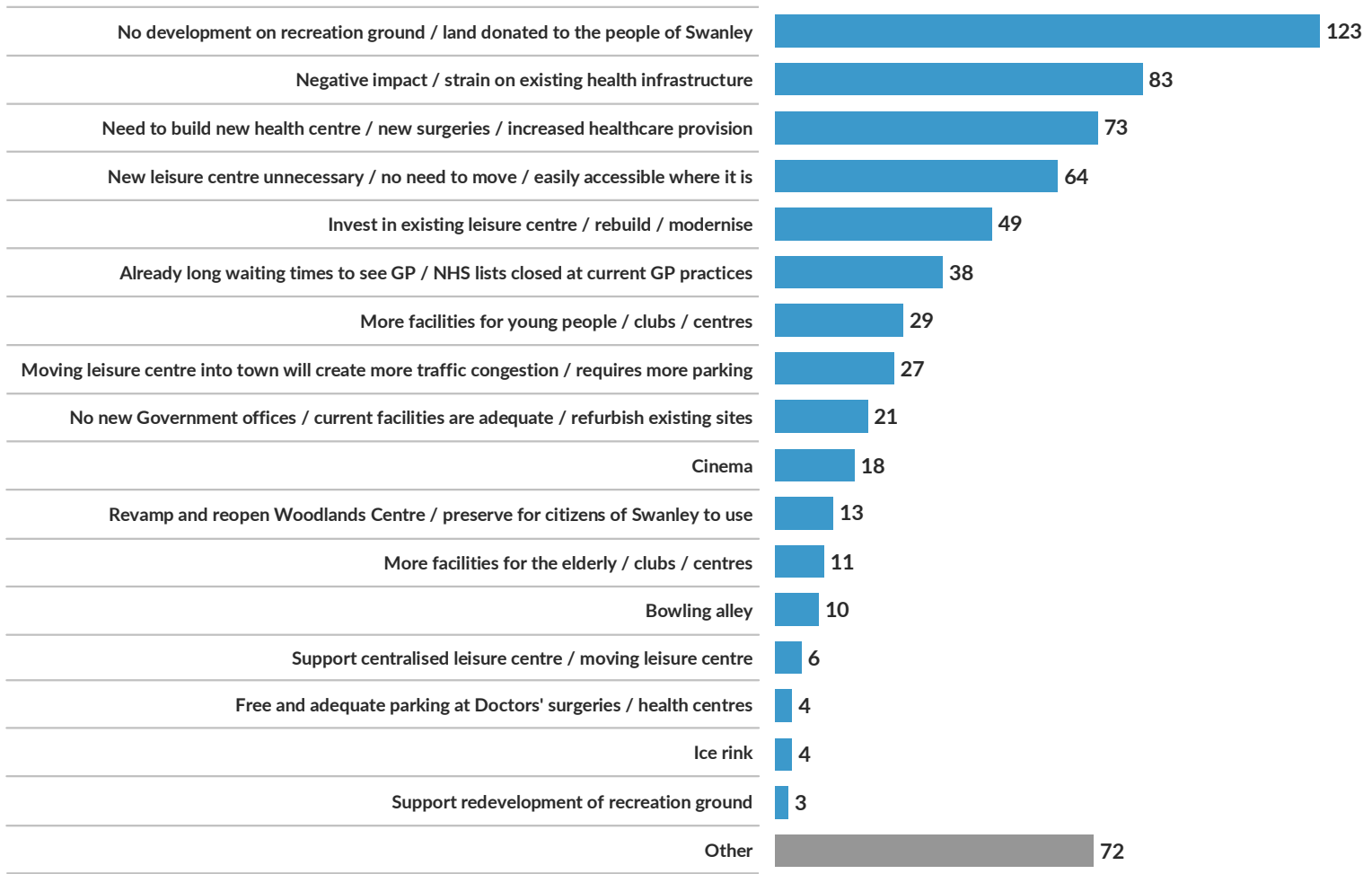
Town centre free text comments summary (number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about the town centre (480)

22

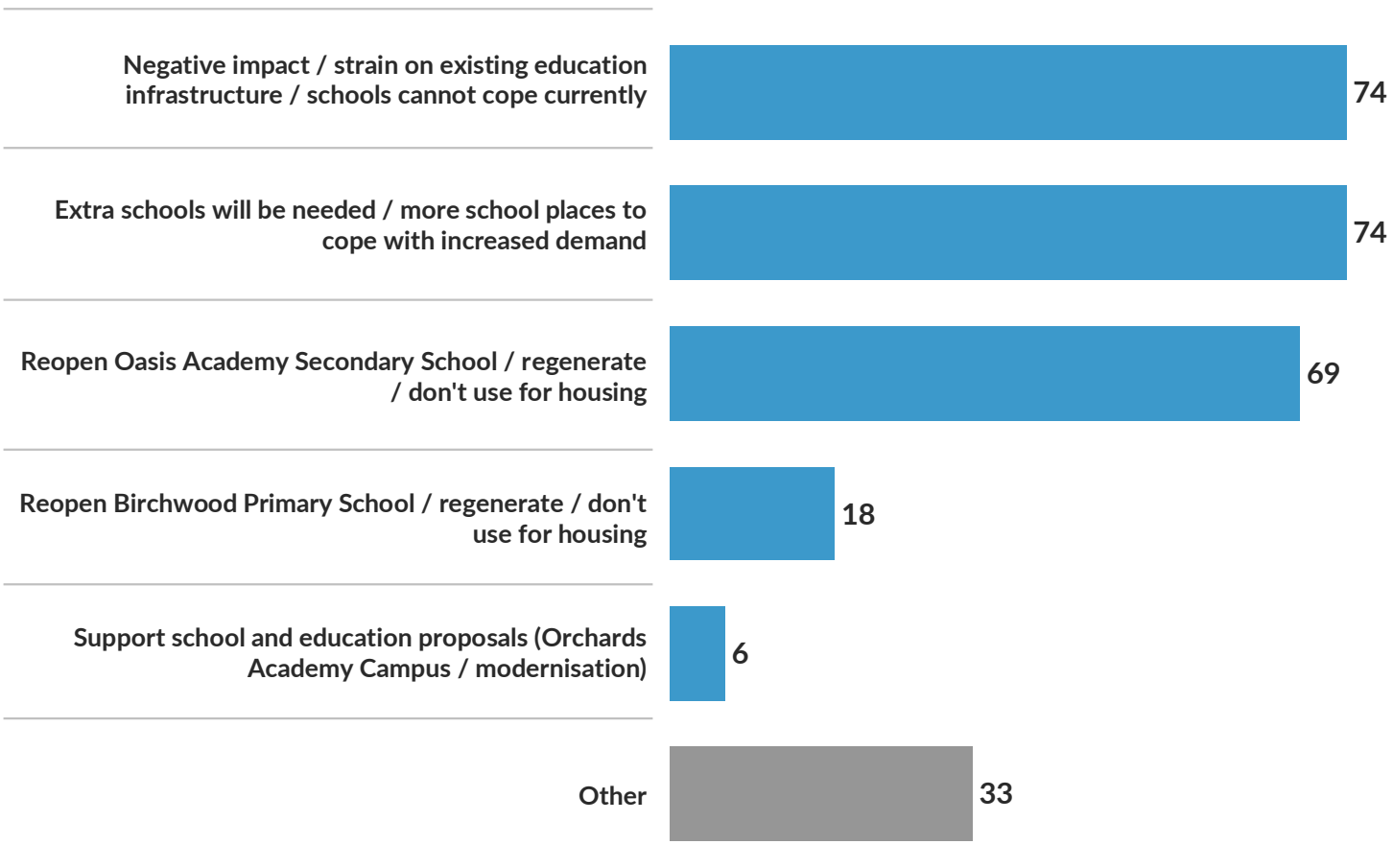
Health centre, leisure centre, other services free text comments summary (number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about the health centre, leisure centre, other services (348)

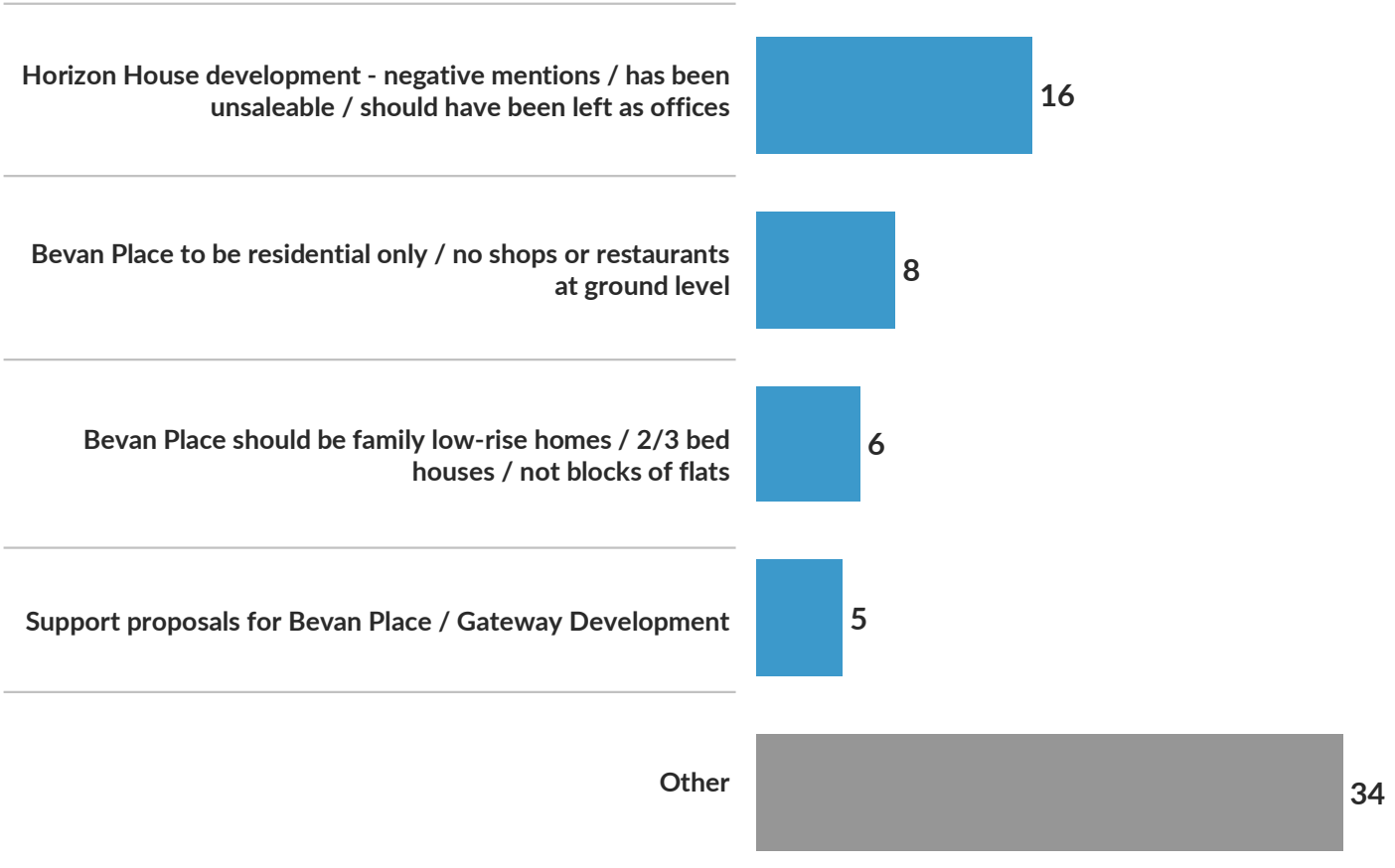
Education free text comments summary

(number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about education (210)

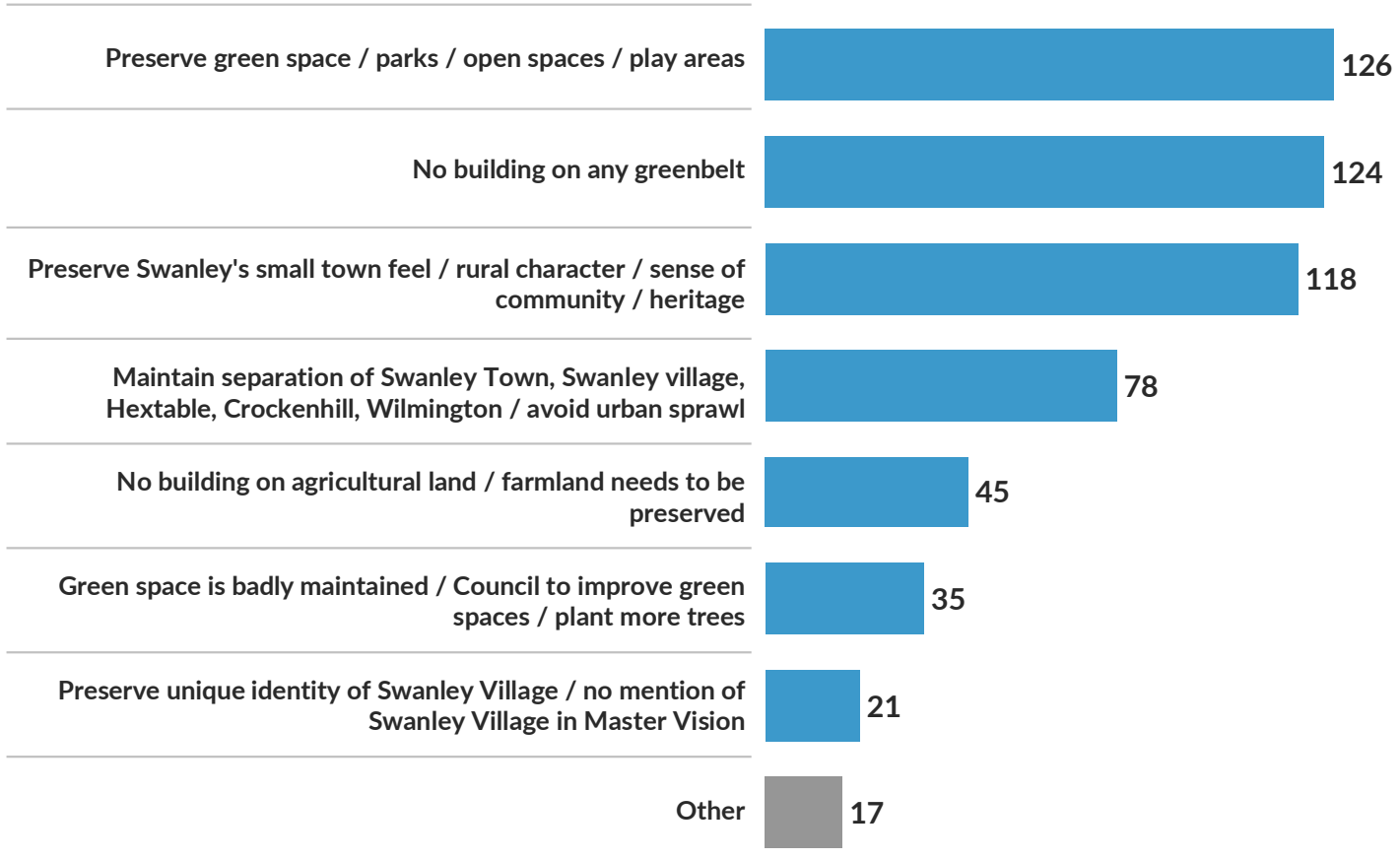
Gateway free text comments summary (number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about the Gateway (61)

Green and open space free text comments summary

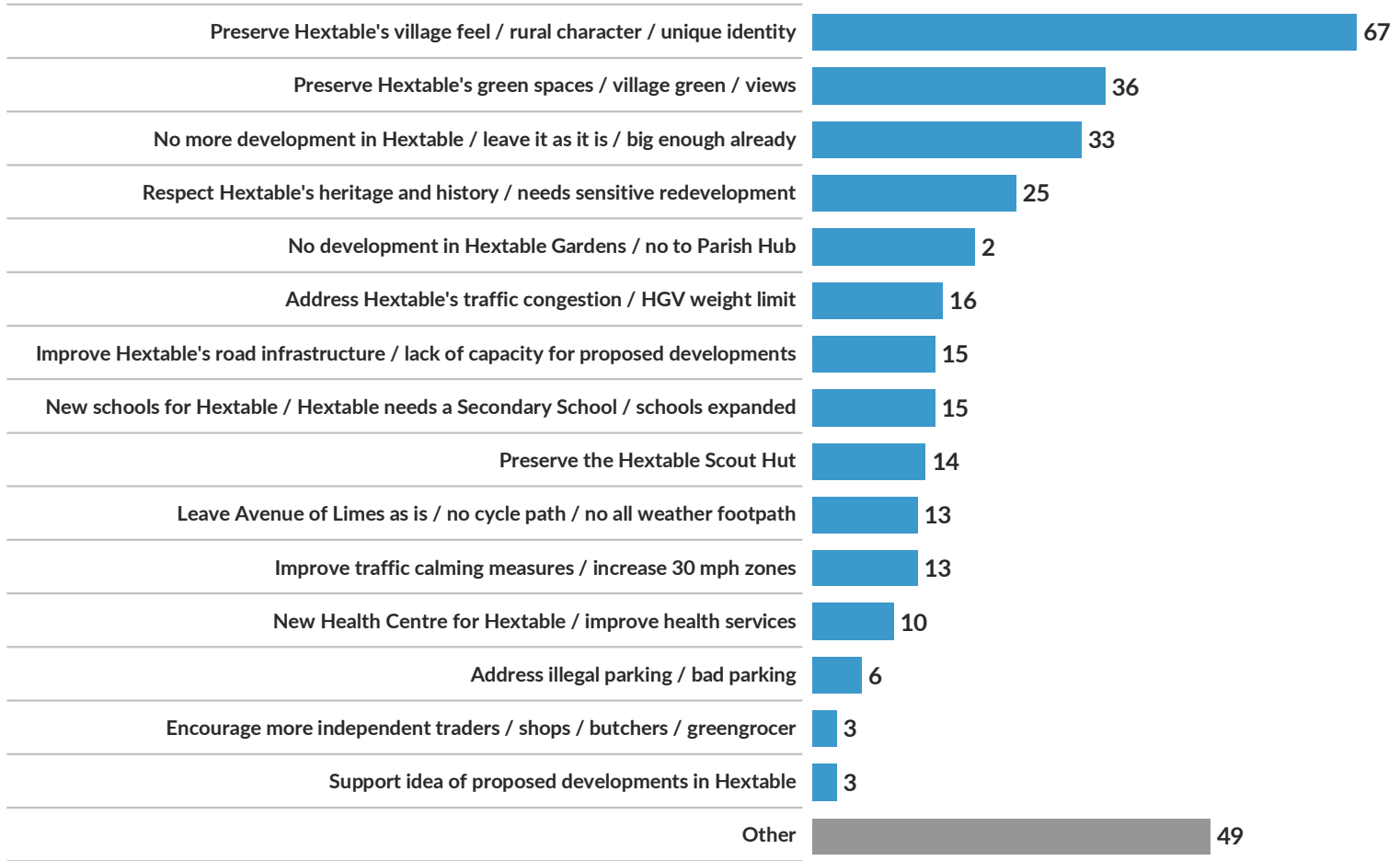
(number of comments made)



Base: All responding to Q9 (1,036); Total number of comments made about green and open space (366)

30

Hextable free text comments summary (number of comments made)

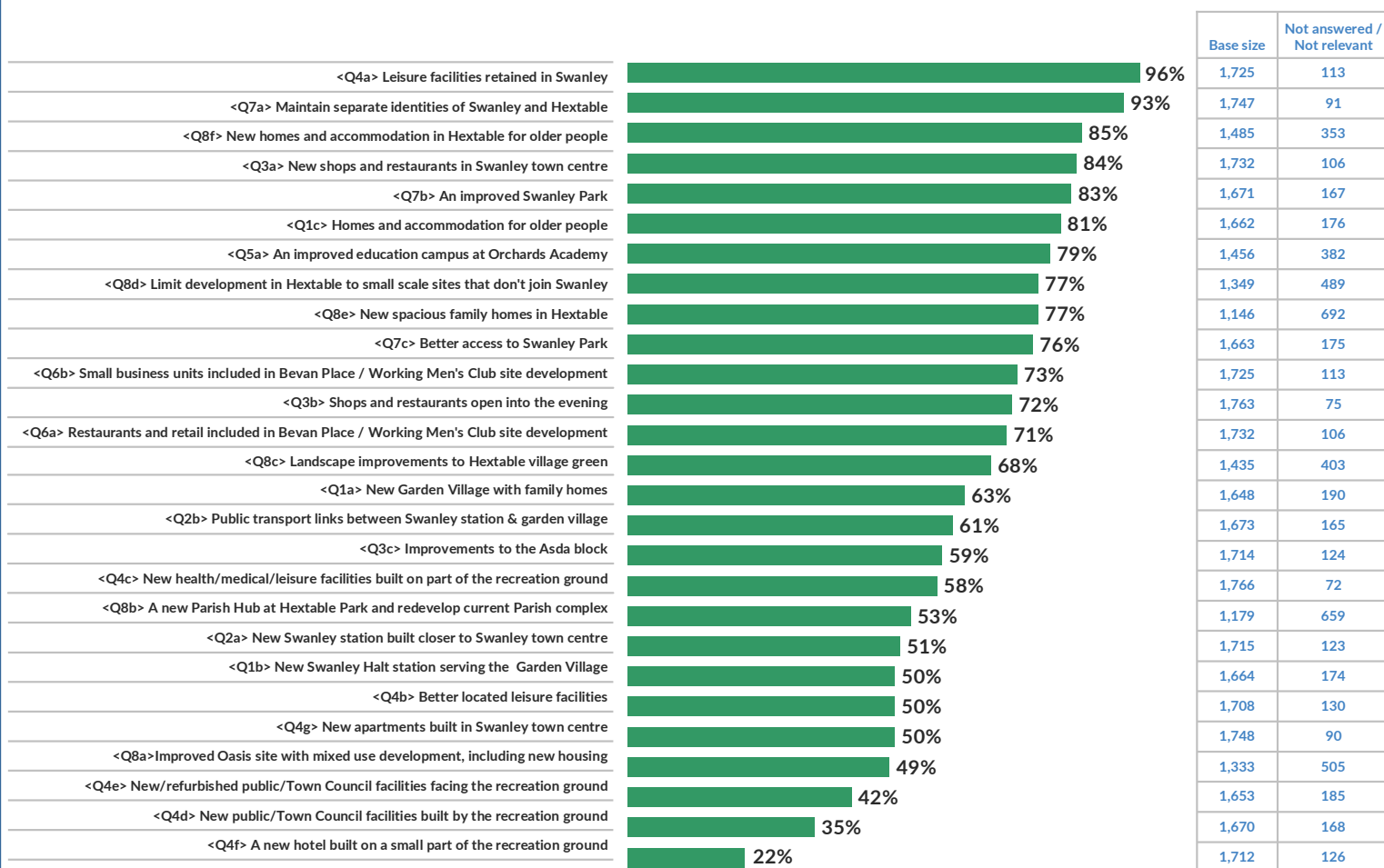


Base: All responding to Q9 (1,036); Total number of comments made about Hextable (174)

32

Summary of proposals in descending order of agreement

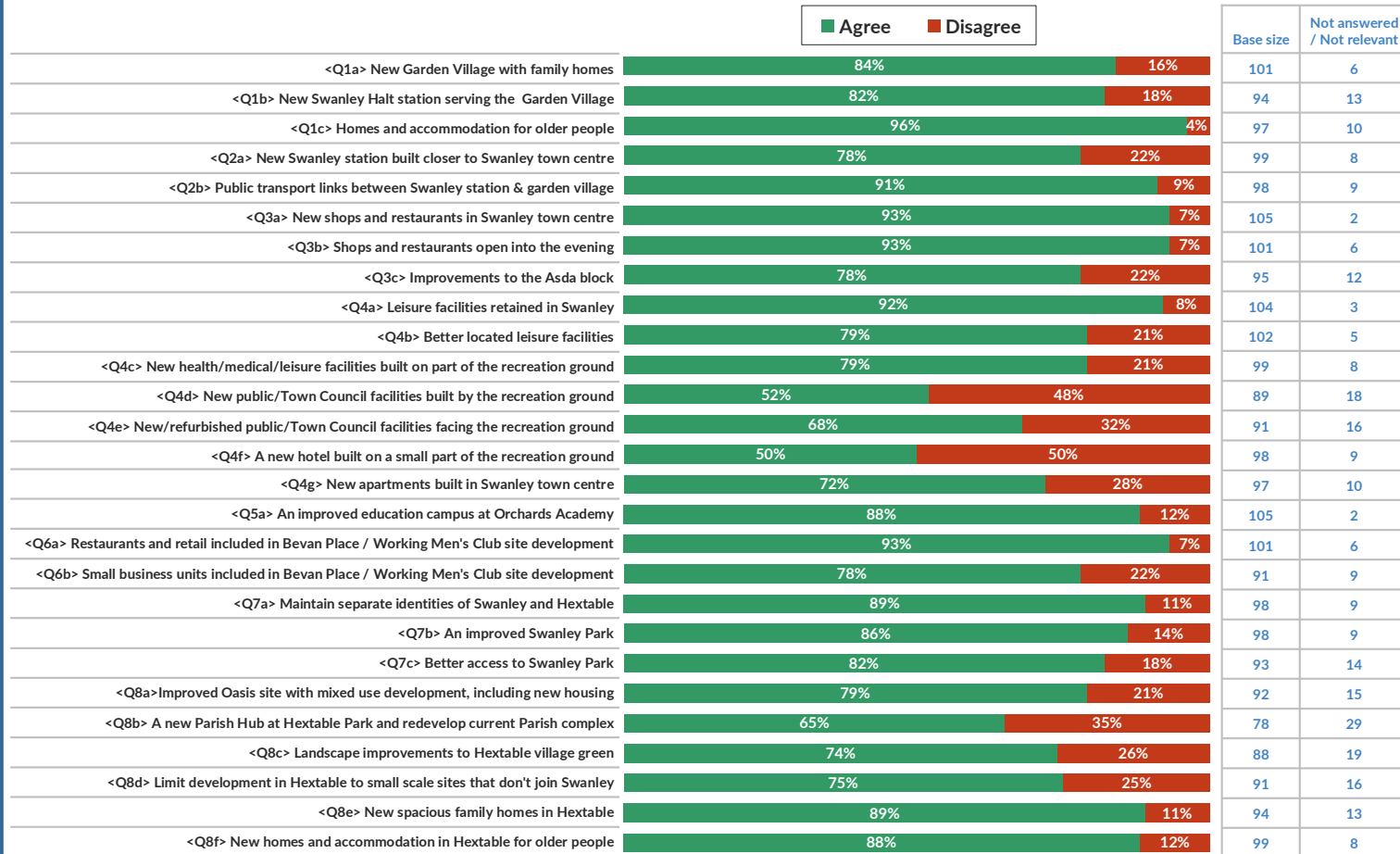
% Agreement (Net: Strongly Agree & Agree)



Base: Various for each question (Not relevant & not answered excluded – original base size 1,838)

16

Summary of agreement & disagreement of main points raised in the consultation unweighted data - Orchards Academy only



Base: Various for each question (Not relevant & not answered excluded – original base size 107)

Organisation / Name / Date	Appendix 2 Summary of key issues raised in stakeholder responses
Swanley Town Council	<ul style="list-style-type: none"> • Accept need for regeneration • Report doesn't sufficiently address road, rail, infrastructure and sewerage issues • Concerns about data, lack of consultation with landowners and impact on the local community
Hextable Parish Council	<ul style="list-style-type: none"> • Strongly object to development on Egerton Nursery in the Green Belt between Hextable and Swanley (must maintain separate communities) • Neighbourhood Plan indicates that direction of future development should be north and east towards Wilmington – previously developed sites available • Objects to any nursery site in Hextable being developed – would set precedent as there are a number of nurseries all in the Green Belt • Strong resistance from residents to development on prime agricultural land that is still being farmed in the village • No objection to development on the footprint of the closed Oasis School (previously developed land) • Objection to development on the Oasis school playing fields (off College Road) as they are used for sport and recreation for residents and would close the small Green Belt gap between Hextable and Swanley
Crockenhill Parish Council	<ul style="list-style-type: none"> • The proposals lack a timescale or sequence of events • The whole Vision is too ambitious • The present infrastructure is currently failing and could not cope with an influx of additional homes/people/vehicles etc • Agree that Swanley needs updating and improving but not extending on the scale proposed • There is a need for new residential units for the local community – want to keep it as a community and not create urban sprawl • People have been drawn to this area for its rural feeling and Councillors believe there is a strong need to retain the Green Belt and green spaces • Current ideas will not enhance the area but are more likely to detract from its appeal • Essential that any development goes hand in hand with the essential infrastructure • Should be part of any permission that essential services are provided
Swanley Village Residents' Association	<ul style="list-style-type: none"> • At a Residents' Association committee meeting (14 November 2016) concern was expressed that the Vision threatens to eradicate the green wedge between the town of Swanley and the separate hamlet and conservation area of Swanley Village • Ironical that the proposed engorgement of a village is encompassed in a plan that masquerades as the creation of a Garden Village • Earlier letter (11 September 2016) set out a number of developments within the village that the committee and villagers consider to be potentially achievable in keeping with the character and identity of Swanley Village

	<ul style="list-style-type: none"> • The development on the agricultural land between Beechenlea Lane and Archer Way is considered entirely unacceptable • The stretch of high quality land represents the separation between Swanley Village and Swanley Town and housing development on this field would mean eradication of this essential green wedge – it also provides a route for villagers to walk around the village without using the narrow lanes which are dangerous to pedestrians • Objection to any development proposal that merges Swanley Village with Swanley Town • SDC accepted the separateness of Swanley Village in its Conservation Area review in 2003; in its recommendation to the Local Government Boundary Commission review in 2015; and when it excluded Swanley Village from the Master Vision • Essential that this historic settlement continues to be surrounded by countryside and recognisable to inhabitants from past centuries
<p>KCC (Growth, Environment, Transport)</p>	<ul style="list-style-type: none"> • Welcomes the new vision and its attempts to address specific policy (e.g. bringing prosperity, supporting local economy) • Transformation growth could put too much pressure on services – public sector cannot fund this • Concerned about the use of CIL in securing optimal funds towards infrastructure in the Master Vision – further engagement needed with the DC about the CIL charging schedule • Concerned about the restrictions in place for section 106 funding with CIL contributions now in place • Wish for communication regarding any infrastructure requirements or sources of funding • Encourages improvements to highways and transport service infrastructure • The green link between Hextable College Road through to the park and town centre is supported • Provision of residential development around Swanley Railway and town centre is supported • Further detail on the road network and traffic management action areas is required • Proposed parking provision and management strategy is supported • Capitalise on the introduction of the Oystercard 2016 – bus and rail integration, cycle and pedestrian links (in accordance to County Council’s Active Travel Strategy) • Access to bus stops requires improvements • Master Vision does not present any detail in relation to current traffic movements or potential future travel demand • Investigation required to identify potential impact and measures for sustainable transport as well as highway improvements • Scenario 1 (minimum growth comments): <ul style="list-style-type: none"> • Generally accommodating of the local transport and highway networks • Capitalise on opportunities offered by U+I proposal to recognise ambitions set out in Master Vision • Real time parking direction signage, car club, additional cycle parking, pedestrian and cycle route improvements and signage should be considered • Quality bus partnership could lay the foundation for sustainable future growth • Scenario 2 (medium growth):

- Need to improve the operation of the slip roads around junction 3
 - New housing sites south of Hextable may have a safety impact on College Road and Swanley Lane
 - Junction improvements on Bartholomew Way and London Road
 - Quality Bus Contract, improvements to pedestrian and cycle routes and road crossings in Town Centre and Station is encouraged
 - Scenario 3 (transformational growth):
 - KCC supports this as long as the sustainability measures are achievable – new rail halt and relocating the station could do this
 - Complementary pricing of parking will be necessary to ensure people favour public transport
 - In July 2014 the South East Local Enterprise Partnership secured a funding package from the Government’s Local Growth Fund – specifically for improvements to the existing Swanley Railway station – in addition to CIL and s106 contributions
 - The funding proposed by SDC for the development must be secured before proceeding
 - Do not envisage the closure of the Oasis Hextable Academy to be ‘temporary’ – expanding Orchards Academy to 6 forms of entry will cause a number of issues.
 - Discussion around St Mary’s CE School and Orchards Academy to become one site depending on land ownership, the cost and availability of a site
- Primary Education
- Scenario 1 – primary schools in Swanley and Hextable are currently experiencing high levels of demand
 - Hextable Primary School recently enlarged – potentially expanded by a total of 2FE
 - KCC considers the forecasted primary demand could be managed entirely through the expansion of existing schools – indicative cost of £5 million (£2.5million per 1FE expansion)
 - Scenario 2 – would require a total provision of 3FE; one new 2FE primary school and 1FE expansion – the total indicative cost being between £9 and £10 million
 - Scenario 3 – two new 2FE primary schools and 2FE expansions would be required. Total cost provision is approximately £19 million
- Secondary education
- Closure of Oasis Hextable Academy has increased demand in north Sevenoaks
 - Orchards academy and neighbouring schools can accommodate the local demand until September 2019
 - Any additional demand that emerges as a result of new development would require funding
 - Scenario 1 – expansion of existing Secondary Education provision - Orchards Academy is restrained at 4.2 ha and an expansion of this school would be expensive - there is a need for a feasibility study for costs
 - Scenario 2 – a larger expansion with a greater increase in cost needed

	<ul style="list-style-type: none"> • Scenario 3 – provision of a new 5FE secondary school would be needed costing £35 million (excluding land costs). Re-use the existing Hextable site in order to meet demand (KCC cannot confirm the availability of this site for education) <p>Property and Land Ownership</p> <ul style="list-style-type: none"> • Concerns around the outdoor sports hub on the former Birchwood School site and the proposed redevelopment of the Oasis Hextable Academy site (want to discuss with SDC to identify alternative options) • Concerns regarding the movement of St Mary’s CE Primary School to redevelop the site – replacement of the youth hub <p>Minerals and Waste</p> <ul style="list-style-type: none"> • No mention of the Kent Minerals and Waste Local Plan 2013-2030 in the Master Vision • Consideration given to identify and safeguard mineral reserves – specific regard to Policy DM7: Safeguarding of Minerals • County Council’s waste management facilities will be close to operating capacity - additional capacity will be required • Further discussion needed on mitigation projects and quantum of additional demand <p>Biodiversity</p> <ul style="list-style-type: none"> • Consideration needed of specific biodiversity elements and landscape connectivity – it has been identified that open spaces can have ecological benefits alongside recreational facilities.
KCC Property	<ul style="list-style-type: none"> • Promoting the redevelopment of two former school sites (former Birchwood Primary School and Oasis Academy) • Believe both sites are suitable for housing growth – to facilitate housing need and generate inward investment for the Swanley and Hextable areas • Welcome the Master Vision’s ambitions • Birchwood school site has already had a planning application considered for residential development (ref: SE/14/03793/FUL) – was refused at Planning Committee • Birchwood School a part previously developed site • Favour the medium growth option as best follows the principles of sustainable development • Number of redundant agricultural, nursery and education sites that could be utilised to help meet development need and not undermine the function of the Green Belt • A review of other Greenfield land parcels that no longer contribute to the open character of the Green Belt would also help • Promoting too much development in Swanley and Hextable would likely have a detrimental impact upon the smaller villages – detract from other regenerations e.g. New Ash Green • Medium growth scenario needs to have better regard to the re-use of resources/previously developed sites e.g. Birchwood School • Deliver the sports hub on other areas of Green Belt land with less housing potential

Orchards Academy	<ul style="list-style-type: none"> • As a central part of the community the School recognises the need for investment in the future growth of Swanley and in general are in support of the Master Vision • In the last two years the school has been ranked in the top 10% of schools nationally for progress and in turn are seeing a surge in the numbers applying. However, the school buildings are not capable of taking large numbers so there would need to be substantial investment in the school to accommodate a potential influx of new families to the area • Working alongside outside agencies such as Supajam and Walk Tall Orchards are also providing education for those pupils who would have fallen into the NEET category so are providing a service to the Local authority as well as pupils • As well as investment in the school buildings Orchards would also welcome the addition of a sports centre on site that could be shared between the school pupils and local community. This has been shown to work well in other areas • Orchards concerns are that without investment in the school and a large influx of new families; people would be forced to send their children to school out of the local area and instead of enhancing the vision of community it would instead create division • Further investment in infrastructure is of course required with the immediate need for a better bus service to the more rural parts of Swanley
St Mary's CE Primary School	<ul style="list-style-type: none"> • The Governing Body confirm, for the purposes of Sevenoaks Council's master vision for Swanley, that it is the intention to increase the size of the school and nursery from one to two form entry, as soon as this becomes possible • Understand that this may necessitate building onto the existing school, or starting a new school building whilst using the existing school building; and that any new build, using the same site, may involve two stories. Not an intention to share the site with housing, for example, at any stage. Consider the site size to meet present needs. • Aware that the adjacent site (known as St Mary's Youth and Community Centre) is also designated for school use, but has not been used as such since 1993. Would appreciate increasing present site to include this site, and understand that this would mean that further building was not necessary
Dartford Gravesham Swanley Clinical Commissioning Group (CCG)	<ul style="list-style-type: none"> • Acknowledges the preferred scenario being Transformation Growth – increased population and CIL contributions • Need sufficient health facilities to accommodate an increased population • Options for an integrated health and wellbeing facility for the current 2 GP practices • Facility needs to be properly resourced with appropriate CIL contributions • Requested contribution of £360 per resident equates to a contribution of £3,888,000 (possible increased contributions) • Congestion in town centre has severe impact on GP and nursing staff – prevents timely access for visits • Provide solution for the new medical facility
The Oaks Partnership (GPs)	<ul style="list-style-type: none"> • Welcome the new development in Swanley • Population growth in Swanley will need to take into account the need for increased health facilities • Support the building of a health and wellbeing centre from the two Swanley town centre surgeries (the Cedars and The Oaks)

- Focus on wellbeing would be ideal to prevent ill health and indeed improve existing health problems
- Wellbeing approach can allow the population to receive timely appropriate interventions rather than over-medicalising
- As part of a wellbeing centre; direct access to community support resources for social and psychological help can provide people with support before a person even needs to see their GP
- Volunteer sector and commissioned community resources have a key role to play in this
- We would welcome the health centre being part of a leisure centre
- Health and wellbeing centre would need to be large enough to house community services, commissioned health services (GP services, community nursing, physiotherapy, podiatry, school nursing, speech and language therapy and health visitors)
- Concerns about the proposed position of the health and wellbeing centre off St Mary's Road and particularly traffic congestion
- Key issues with gridlock around the roundabouts and the pedestrian crossing/lights
- Urge improvement of access into Swanley with increased housing supply
- Struggle with not being able to leave the CCP car park directly onto the B258 like before - a give way protocol and sign would allow people to go straight out back down the high street, rather than going around Asda – significantly help faster access for home visits and general use
- Central position of a health and wellbeing centre is the most supported – accessible from London and M25
- Moving to the current White Oak site would not be supported by The Oaks or The Cedars due to current traffic congestion (access to M25 would be even further away)
- Consideration of a site nearer the M25 may be supported but public transport and public consultations must be considered
- Central position in Swanley may also be supported but accessibility would need to be considered
- Current Oaks surgery or in the immediate vicinity would allow current levels of access
- Staff wellbeing is important; noise control, natural light in the building for all rooms and enough ground floor access for the elderly population – if the centre was to be part of the major town centre planning
- Car parking costs are a concern – disincentive to work in the town centre (staff leaving because of increased costs)
- Not enough car parking permits or being able to use an electronic facility to pay for parking for regular workers
- Green spaces are essential – good safe link through the Swanley park would be supported
- Having plenty of trees – important for our health and mental health (please give consideration in any planning application)
- Concerned about the loss of Green Belt land within the Swanley and Hextable area as they would have less than the rest of the Sevenoaks District
- Better access and utilisation of the Green Belt for exercise and leisure would be supported.
- Medical advances are likely to make more available primary care – with an ageing population there is a need to plan for increased demand as well as population growth
- Space within a facility needs to be flexible to allow adjustment in change of use

<p>South Eastern</p>	<p>Scenario 1:</p> <ul style="list-style-type: none"> • KCC has secured funding towards rebuilding the station in its current location but time is limited and cannot be carried forward for other schemes; however would be an improved gateway to the town • Widened footpaths and cycle routes will create better access to the station from the surrounding area and bring it closer to the community. • The scheme is realistic in terms of deliverable benefits, value for money and can be delivered within the restraints of the funding conditions <p>Scenario 2:</p> <ul style="list-style-type: none"> • The additional station 'Halt' would increase journey time for residents living in the North Kent towns travelling into London. • Availability of train paths is unknown and would be a significant risk in this scenario • Increased dwell times will impact train performance and punctuality • Would be an expensive option for limited benefits – will need full station facilities with full staffing but the station would only receive stopping services from the North Medway Towns <p>Scenario 3:</p> <ul style="list-style-type: none"> • Most expensive option with the added complication of the junction to the Otford line joining the Victoria line • Limited information in the Master Plan for this scenario and its impact on the railway • This proposal will struggle on economical grounds as you are creating a station only served by the North Medway route <p>Summary</p> <ul style="list-style-type: none"> • Rather than provide a Halt or a new station, which would have huge risk, incur delays - Scenario 1 would be the most realistic deliverable scheme –ensure better aesthetics and security • Improved pedestrian access and cycle routes to the station with improved street furniture and lighting • Improved bus service provision and access to the current station from developments – Scenario 1 would bring the current station closer to the community
<p>Network Rail</p>	<ul style="list-style-type: none"> • Supports the preparation of the Master Vision and supports the key principles of maximising rail links and investing in transport infrastructure • Support is given to the development and the promotion of development and growth in the area • Supportive of increasing railway patronage – however, need to recognise the significant costs and operational impacts of new railway infrastructure • Supportive of the design work that South Eastern have undertaken on behalf of KCC but this covers the extent of Network Rail's involvement with this station • This design report only covers the redevelopment of the existing station, not wider areas identified in the Master Vision • Would welcome further involvement in the preparation of the document and input on railway infrastructure and development

	<ul style="list-style-type: none"> • Supportive of maximising rail links to London and Kent – look to work with the Train Operating Company, the Local Authority and other stakeholders to do this • Support the high level objectives of the proposed improvements to the station design and its environments • Relocation of the station is very expensive and needs to be properly estimated – the impact on the operational timetable needs to be assessed and agreed • Too early to promote the relocation of the station – need to know if it is feasible or viable • Welcomes further discussion for the relocation of the station • Halt station would increase the journey time – Network rail trying to decrease journey times, therefore would need significant agreement with industry partners. • Railway and regulatory issues need to be considered and represented in the Master Vision document • Welcomes working with third parties but has no budget for the development works • Scenario 2: would appear costly and the decking over the railway is difficult – generally not possible in areas with high land value (e.g. Central Land) so will be problematic in Swanley where funding is limited • Considerable work to be undertaken to establish the costs for each option • Happy to discuss this further
CPRE	<ul style="list-style-type: none"> • The scheme is dependent on the release of Green Belt land which CPRE cannot support • The test of the five purposes of designation was ignored in this case • 1500 consultees were against development that impacted the Green Belt • The DCLG Secretary of State said Green Belt is ‘absolutely sacrosanct’ • The DCLG paper of Locally-Led Garden Villages says that planning freedoms will ‘continue protecting the Green Belt’ • Priority should be given to sites within the existing urban area – would not jeopardise the separation of settlements nor air quality • Would the scheme result in a more self-sufficient Swanley or just cheaper housing for south London? • Rather than focussing on the M25 and A20 congestion the focus should be on the access to Swanley (Major blockages on the B258 and B2173 need to be considered). • Bevan Place Roundabout needs a separate study, including air quality • Concentrating leisure and social facilities in the centre will worsen traffic congestion • Weakness that neither public transport nor parking are under public control • No green spaces should be sacrificed for development – a mistake to move the leisure centre to open space • Absence of sufficient parking for the Leisure Centre would disadvantage the users • Graveyard has been identified as a green space though it cannot properly serve for recreational purpose • Not clear how far the Vision is consistent with U+I development plans for the centre

	<ul style="list-style-type: none"> • Any development on green spaces diminishes the sense of openness • If there is to be major development at Swanley, more green space must be allocated, not less • Development proposals should aim to make better use of under-used facilities e.g. playing fields. • Would like to be kept informed about progress on the consultation
<p>White Oak Bowls Leisure Ltd</p>	<ul style="list-style-type: none"> • Report ignores the railway which cuts the town in half – regeneration will increase the disparity between town centre and poorly located places • Opposition to development on recreation ground. Solution: a deck over railway • Not enough proposed parking spaces for the increased number of residential and retail units • Concerns about the absence of affordable housing • Concerns about the provision of medical clinics for Hextable residents • Propose College Road nursery (brownfield site) for development instead of Green Belt • More information needed regarding Garden Village; design brief, social housing provision, leisure, health and employment • Railway halt will clog the new residential streets with traffic • New care home must still be affordable and provide sufficient parking • More parking must be considered elsewhere for station with the loss of Bevan Place car park and relocating near town centre – 200 additional spaces (multi-storey) • Leisure site (Hilda May Avenue) should remain for its current use • Entrance to Swanley lies closer to the motorway intersection than proposed in the plans • Hextable Gardens should remain as an open space • Swanley recreation ground (St Mary’s Road) should remain as an open space • Hotel not suitable on recreation ground – need for adequate parking

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Appendix 3

Minutes of the Sevenoaks District Local Strategic Partnership Held at Sevenoaks District Council Offices, 29 September 2016

Present:

Pav Ramewal	PR	Sevenoaks District Council (Chair)
Alan Whiting	AW	Sevenoaks District Council
Richard Morris	RM	Sevenoaks District Council
Jo Tonkin	JT	Kent County Council Public Health
Nick Silvester	NS	Kent Fire and Rescue Service
Mark Rist	MR	Kent Fire and Rescue Service
Gill Shepherd-Coates	GSC	Age UK
Wendy McGeachy	WM	Imago
Chief Inspector Roscoe Walford	RW	Kent Police
Heather Brightwell	HB	West Kent Extra
Craig Kendall	CK	Kent County Council
Jill Rogers	JR	Moat Housing
Will Campbell-Wroe	WCW	West Kent Extra
John Dyson	JD	Sencio Community Leisure
Stanley King	SK	Sevenoaks Churches Together
Frank Czarnowski	FC	West Kent Housing
Lesley Bowles	LB	Sevenoaks District Council
Sarah Gaunt	SG	Kent County Council, Early Help and Prevention
David Hart	DH	Kent County Council, Area Schools Officer

1.	<p>Apologies for Absence</p> <ul style="list-style-type: none"> • Jackie Marks – KCC Partnership Manager • Ian Watts – KCC Area Education Officer • Rick Bayne – Kent Downs AONB • Yvonne Wilson – West Kent CCG 	
3.	<p>Successes</p> <p>NS updated as follows:</p> <ul style="list-style-type: none"> • On scene First responders training project <ul style="list-style-type: none"> • Kent Fire and Rescue Service received funding from the Police and Crime Commissioner for a first responder on scene training project. • Kent Fire and Rescue project will train 14-21 year olds to carry out first aid at scenes of road traffic collisions, particularly in rural areas where data shows most collisions involving young people take place. 	

	<ul style="list-style-type: none"> • The grant has enabled Kent Fire and Rescue Service to purchase equipment to train young people at the new Rochester Road Safety Experience centre in how to use defibrillators and other valuable first aid skills. • LB outlined successful Community Safety Partnership’s recent multi-agency Child Sexual Exploitation training attended by 40 professionals • RW discussed Organised Crime Groups [OCG’s]. There is a strategic expectation that these will be dealt with at a local level and in partnership with other agencies in the first instance. • Sevenoaks currently have one group, Barnfield Park in New Ash Green, a managed traveller site that is run by KCC. 	
3	<p>Challenges, barriers and opportunities</p> <ul style="list-style-type: none"> • Following a suggestion from LB, it was agreed that the next LSP would take mental health as its key discussion topic 	AW
4	<p>LSP Development Day</p> <ul style="list-style-type: none"> • LB presented this item. The following ideas discussed at the Development day were outlined as follows: <ul style="list-style-type: none"> ○ Improved community empowerment through co-produced partner events – it was agreed that key LSP partnerships including the Local Children’s Partnership Group (LCPG), the Health Action Team and the Community Safety Partnership will add this as an agenda item for discussion at future meetings and will identify events to take forward. ○ Improved communication with schools – this will be looked at by the LCPG ○ Improved identification of repeat & vulnerable victims – this is already being dealt with by Sevenoaks District Council’s Community Safety Unit through their Daily Tasking meetings. ○ How do we get these to harder to reach groups for food/healthy eating advice, particularly in more isolated communities – this will be looked at by the Sevenoaks Healthy Action Team who are already doing a great deal of work around this agenda. ○ Improve and sustain the provision of voluntary and community transport and promote volunteering – this will be looked at by the Sevenoaks Voluntary Sector Forum with reference to the Older People’s Sub-Group of the LSP ○ Multi agency referral system for older people involving health, housing and voluntary sector – this Older People’s Sub-Group will look at how to take this forward in collaboration with West Kent CCG’s “Making Every Contact Count” (MECC). ○ Incubate New Businesses – this is a shared objective with the Sevenoaks Economic Development Action Plan. ○ Initiatives to reduce barriers for young people who are NEET – this will form part of the work of the Supporting Young People into Employment Group. 	

	<ul style="list-style-type: none"> ○ Mobile jobs bus – this will also form part of the work of the Supporting Young People into Employment Group 	
<p>5</p>	<p>Swanley and Hextable Masterplan consultation – introduced by Richard Morris/Alan Whiting, SDC and followed by group discussion.</p> <p>Background</p> <p>Sevenoaks District Council has prepared a 20 year ‘Master Vision’ to help regenerate Swanley and Hextable.</p> <p>Change is already happening but this is an opportunity to influence future change and get the improvements in infrastructure, including transport, leisure, health, educational and other community facilities that Swanley and Hextable deserve.</p> <p>We are very aware that pressure continues for new housing continues and without a plan in place, growth will happen without the accompanying community benefits or infrastructure identified as important to local people.</p> <p>The improved economy has led to fresh interest by the key landowner (U&I) in making improvements to Swanley town centre. There are also proposals being developed for the improvement of Swanley Station. It seems that now is the right time to put in place a long-term regeneration vision for the town.</p> <p>The Master Vision has been developed by considering the level of growth needed to make positive change happen (for Swanley town centre and for the wider Swanley town and Hextable Parish). The Master Vision sets an ambitious scale of possible regeneration to create the most realistic chance of delivering significant improvements in infrastructure.</p> <p>The Consultations</p> <p>During our consultations in February 2016, residents told us that they wanted new affordable and family homes and retirement properties, homes for first-time buyers, improved health facilities, better public transport and ways to cut road congestion, a better range of shops and restaurants while retaining leisure facilities and open spaces.</p> <p>The Master Vision incorporates results fed to the consultants, Tibbalds. They have looked at the scale of ambition required to deliver changes that local people said they wanted. During consultations, Officers have also stressed that this is an opportunity to look at the transformational change required to deliver infrastructure and services in a way that does not result in a piecemeal development approach.</p> <p>It was noted that LSP this was an opportunity for partners to give their views about the proposed Master Vision. .</p>	

RM outlined the main sections of the Swanley Master Vision as follows:

New Garden Village

The Master Vision includes the possibility for between 2,500 and 3,000 new homes on a site to the east of Swanley as part of a new 'Garden Village' with improved transport links and a train station ('halt station'). It also includes plans for improved cycle ways and bridle ways

Sevenoaks District Council has submitted an expression of interest to the government regarding a 'Swanley Garden Village'. A decision from the government is expected later this year.

The consultation recognises the need to consider putting in place sufficient housing for people to enable people to take a 'housing journey' in Swanley, from a first starter home to more spacious family home, to possibly downsizing in later life. We recognise the need for a mix of housing types and tenures.

The area envisioned in the 'Swanley Garden Village' takes into account the areas physical constraints. Expansion to the east of Swanley is naturally limited by the M25.

RM noted that the Council was also undertaking an assessment of the Green Belt at the moment. Results will not be expected until the new year.

LSP Members agreed in principle to support the key messages of the Master Vision relating to housing and the new garden village.

Transport in Swanley

Swanley is very close to London and you can get there quickly from Swanley Station. The Master Vision looks at how we can bring services more centrally and encourage modal shift. It sets out ways to improve the quality of and access to the existing by building a new modern station closer to the centre of Swanley. We also want to improve other types of public transport to keep traffic off the roads. This might be by making lanes on the roads that only buses can use at certain times. The biggest idea is to move the train station closer to the town centre to where historically was sited. We think putting it in the heart of the town centre would help more people use the train station.

JT noted that the Master Vision's aspirations on transport and improving the use of and access to open space had a good fit with public health and active green travel. Encouraging walking and cycling and improving access to green and open spaces had direct health benefits.

SG noted that access to the Youth Hub was limited with one main road in and out. In addition, SG supported any efforts to improve the traffic flow around the town centre.

LSP Members agreed in principle to support the key messages of the Master Vision relating to transport.

Swanley Town Centre

We believe Swanley town needs a better range of shops and restaurants. There might be ways to make it easier to get into Swanley town centre, but there is little for people to do in the evening and we can do something about this. We have also set out ideas for improving the area around Asda, including possibly a decked car park.

SG noted that it would be good to have facilities for young people in the evening and that there was a lack of choice with the existing shopping offer.

New health/medical centre, leisure centre and other services

Most people didn't want to build on the Recreation Ground but they did want to improve open and green spaces.

We need to build a new leisure and swimming facility as it is not financially viable to sustain the White Oak Leisure Centre and are looking at some different ideas. Keeping the leisure centre in a town centre location may make it easier to get to. If we put it at the edge of the Recreation Ground, we could put it with a new building for health services. At the same time, we would keep and improve most of the recreation ground as an improved open space for local people to use.

We also had the idea for a hotel at the edge of the Recreation Ground. This could help bring more people into Swanley who would spend their money in local businesses. This could help create more jobs for local people.

Any recreation grounds left could be used for community facilities. We would have to replace the space lost elsewhere in Swanley

WC-W noted concerns about the U&I planning application. He that to help open up public spaces, new shop units should be multi-facing

LSP Members agreed in principle to support the key messages of the Master Vision relating to new health/medical centre, leisure centre and other services

Education

The Master Vision recognises that if we build more homes, we need to improve educational facilities. We think there is a need for more primary school places

SG noted that consideration needed to be made for the Youth Hub and Children's Centre facilities. SG welcomed the opportunity to improve facilities.

LSP Members agreed in principle to support the key messages of the Master

	<p>Vision relating to Education.</p> <p>New Gateway to Swanley town centre (by “Gateway”, we mean a new high quality housing and possibly shops and space for businesses on the existing Bevan Place site that sets a standard for future building in Swanley)</p> <p>Sevenoaks District Council recently bought the former Swanley Working Men’s Club site in the High Street, having owned the neighbouring Bevan Place Car Park for many years.</p> <p>We have already agreed that the Bevan Place Car Park and Working Men’s Club site will be turned into new homes. We also want to look at providing a mixture of shops and cafes on the ground floor as well as affordable units for businesses</p> <p>LSP Members agreed in principle to support the key messages of the Master Vision relating to the new gateway to Swanley Town Centre.</p> <p>Green and Open Spaces</p> <p>We want to help keep Swanley and Hextable as two places with their own communities. Green spaces and Swanley Park help to do this and should be retained. We also think we should improve access for all.</p> <p>We want to improve access to Swanley Park, including the possibility of a new car park on the south side of the park. We have also included possible plans for an all weather path for people walking and cycling through the Avenue of Limes to improve the access between Swanley and Hextable. There is also an option of a new outdoor sports area on the Birchwood School site.</p> <p>LSP Members agreed in principle to support the key messages of the Master Vision relating to green and open spaces.</p> <p>Hextable</p> <p>We have thought about ways of providing new homes in Hextable. We think new homes could be built on the site of the existing Parish Council Offices. The Master Vision includes the possibility of building a new Parish Council office at Hextable Park. We have also looked at the possibilities of providing new mix use housing on the Oasis Academy site which has now been closed for a while. Mixed use could include new home as well as education and health care services.</p> <p>LSP Members agreed in principle to support the key messages of the Master Vision relating to Hextable.</p>	
<p>6</p>	<p>Any other business and suggestions for future agenda items</p> <p>It was agreed that mental health would be the key discussion topic at the next LSP meeting on 29 November.</p>	<p>AW</p>

7	<p>Dates for 2016/17</p> <ul style="list-style-type: none">• Tuesday 29 November 2016, 10am - 12pm, Sevenoaks District Council Offices• Tuesday 28 February 2017, 10am -12pm, Sevenoaks District Council Offices	

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Groups of people visiting the drop-in sessions for the Swanley and Hextable Master Vision.

- Landowners
- People from across the Housing spectrum (i.e. homeowners, renters, landlords, social housing tenants and people seeking affordable housing)
- Businesses ranging from high street shops such as Asda and Wilco, independent businesses and people who are self employed
- People who were unemployed or in receipt of benefits
- People thinking of moving into the area and those who've just moved to the area
- Parents whose children had moved out of area due to a lack of housing,
- People with a connection to Swanley but not currently residing in the District
- Parents with young children
- Children and young people, from primary school through secondary school (delivered through site specific workshops) and higher and further education
- People from different ethnic groups
- Statutory partners, including KCC, Campaign from Rural England, PSCOs
- Town and parish councillors
- Local campaign groups
- Shoppers
- Local workers from Swanley town centre and surrounding area, (both part time and full time)
- Commuters at location specific drop ins at Station.
- People who've lived in Swanley & Hextable for a significant period of time
- Doctors from local surgeries
- People with mental health difficulties
- People with learning disabilities
- People with physical disabilities
- Carers
- Representatives from local clubs and voluntary groups, including Sevenoaks Seniors Action Forum
- Leisure centre users & staff
- Older people, including those seeking to downsize.

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Key messages from young people at Downsview Primary School

- Pupils were encouraged to think about the place they lived in and what they would like it to be like in 20 years.
- Three questions were asked to young people in years 2 and 6:
 - Q1) What would you like to see in a new Swanley Garden Village?
 - Q2) What would you like to see in a Swanley town centre?
 - Q3) How should people travel around Swanley?
- The key issues raised by both year groups were as follows:
- Q1) What would you like to see in a new Swanley Garden Village?
 - Bigger houses
 - More houses with drives
 - Small homes with bigger gardens
 - Flats and homes for older people
 - Communities facilities and things to do for young people
 - Small parks
 - Parks with ponds
 - Shops
- Q2) What would you like to see in a Swanley town centre?
 - Sports and leisure facilities, including swimming pool
 - Fountains
 - New shops, includes places to eat for young people and healthy things to eat and drink
 - Flats
 - Train station
 - Bus stops
 - Community facilities and fun things to do, e.g. cinema, bowling
- Q3) How should people travel around Swanley?
 - Train and make trains cheaper
 - Buses
 - Bikes
 - Easier to walk places
 - Easier for cars to get around

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Item 8 - Environment Health partnership - Charging for Support Advice to Food Businesses

The attached report was considered by the Direct & Trading Advisory Committee on 19 January 2017. The relevant Minute extract was not available prior to the printing of this agenda.

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ENVIRONMENTAL HEALTH PARTNERSHIP - CHARGING FOR SUPPORT ADVICE TO FOOD BUSINESSES

INTRODUCING THE “ACCESS” SCHEME

Cabinet - 9 February 2017

Report of Chief Officer Environmental and Operational Services

Status: For Decision

Also considered by: Direct and Trading Advisory Committee - 19 January 2017

Key Decision: Yes

This report supports the Key Aim of: A dynamic and sustainable economy

Portfolio Holder Cllr. Matthew Dickens

Contact Officer Annie Sargent Ext.3085

Recommendation to Direct and Trading Advisory Committee:

- a) That Members agree to the Environmental Health (EH) Partnership charging for bespoke food safety advice for new businesses.
- b) That a minimum fee be charged of £100 plus VAT for 2 hours work, and £50 per hour thereafter. (This is a cost recovery charge only.)

Recommendation to Cabinet

- a) That Cabinet agree to the Environmental Health Partnership charging for bespoke food safety advice for new businesses.
- b) That a minimum fee be charged of £100 plus VAT for 2 hours work, and £50 per hour thereafter. (This is a cost recovery charge only.)

Reason for recommendation: As part of the national Better Business for All initiative, the Environmental Health Commercial Team has reviewed how it can provide an improved advisory service for local food businesses.

Currently, when a new food business starts, often the first time an officer will have contact with them, is when they have started operating. On that first formal inspection, we can find fundamental structural and management system errors that can be costly for the business to correct in order to comply with the law. We would

like to recover our costs for a bespoke advice service to businesses that will assist them in complying with required regulation before they open.

We would also like to charge established businesses for advice in order to improve their hygiene rating scores and this will enable us to recover our non-statutory costs.

Introduction and Background

- 1 All new food businesses in the district are required to formally register with the local authority. At that point, these new businesses are put onto our database and are subject to a regular inspection regime, as defined by guidance from the Food Standards Agency.
- 2 It is not a requirement for a food business to be inspected before it opens. Quite often businesses open their doors to the public, and the owners have not received any food handling training, their preparation and processes are inadequate and their kitchens, storage areas and facilities are not appropriately designed to meet legal requirements.
- 3 In these cases, the businesses first contact with the Food Safety Officer can therefore feel quite confrontational and may lead to the owner having to spend time and money on further works to meet the basic compliance requirements.
- 4 Currently, some more proactive businesses may ask for advice, before they open their premises. Officers will spend time giving advice to these businesses. However, there is no statutory duty for the EH team to do this. In being helpful, resource can be diverted away from the statutory routine food inspections. However, officers know that this pre-advice can save time at the next inspection, as the business is already compliant and a good officer-customer relationship has been established.
- 5 The downside to this is that officers can spend time advising many businesses that never come to fruition. Also it can be seen that some businesses despite being advised by their regulator in person, still opt to go on and pay a consultant for the same advice. Almost as if by paying for a service, somehow validates the information more for a business.
- 6 A scheme has been devised that can be marketed to businesses in the district. The scheme is called ACCESS -Accelerating Compliance and Economic Success
- 7 This scheme will provide enhanced support for food businesses from highly qualified, experienced, front line food safety officers. The support will be tailored to suit each business. There will be a minimal charge for basic package of £100 plus VAT for 2 hours work (not including travel time). Businesses can then purchase additional time for training, food safety management coaching and follow up support visits. Instead of an

unannounced inspection, visits will take place at the convenience of the business

- 8 Food Safety Officers within the EH Commercial team will carry out the ACCESS visits. A different officer will do any rescore visits to avoid a conflict of interest.
- 9 The scheme will be aimed at both new and existing businesses. The intention is to give a new business a head start towards compliance. It will be particularly useful to people who are new to running a food business. It will also be helpful for businesses that are scoring poorly in the Food Hygiene Rating Scheme that need additional help to improve compliance and apply for a rescore. Another target customer would be those businesses wishing to improve their hygiene rating score.
- 10 For those businesses that just require cursory advice, there will always be the option of obtaining free information via our websites and their associated links.

11 In Summary

In providing a charged advice service, the Environmental Health Partnership aims to:

- a) Improve relationship between business and regulator
- b) Save business money - help them get things “right first time” before opening.
- c) Reduce the resources required for revisits to food businesses
- d) Increase the food business manager’s confidence in running their business
- e) Promote business success and economic growth in both Sevenoaks and Dartford

Key Implications

Financial

Businesses will be invoiced for payment before an ACCESS visit takes place. A new income code will need to be established for income monitoring purposes. It is anticipated that the scheme will be available from April 2017.

Legal Implications and Risk Assessment Statement

Section 1 of the Localism Act 2011 gives local authorities the power to charge for a service which is not a statutory function.

Item 9 - Discretionary Rate Relief

The attached report was considered by the Finance Advisory Committee on 31 January 2017. The relevant Minute extract was not available prior to the printing of this agenda.

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DISCRETIONARY RATE RELIEF

Cabinet - 9 February 2017

Report of Chief Finance Officer

Status: For Decision

Also considered by: Finance Advisory Committee - 31 January 2017

Key Decision: No

Executive Summary: The Council requires potential recipients of discretionary rate relief to submit a formal application every two years. However, in view of the changes brought about by business rate retention, the proposals for awarding relief are to be reported annually. This report sets out the proposals for awarding discretionary rate relief for 2017/18.

This report supports the Key Aims of: Supporting and developing the local economy and providing value for money

Portfolio Holder Cllr. John Scholey

Contact Officers Sue Cressall Ext. 7041

Paula Porter Ext. 7277

Recommendation to Finance Advisory Committee: members are asked to recommend that Cabinet approve the proposals for granting relief from business rates for 2017/18 set out in Appendix B.

Recommendation to Cabinet: members are asked to approve the proposals for granting relief from business rates for 2017/18 set out in Appendix B.

Reason for recommendation: Relief from business rates provides organisations with valuable support and contributes to the Council's commitment to supporting and developing the local economy.

Introduction and Background

- 1 Charities and sports organisations that have charitable status currently receive 80% mandatory relief. In order to qualify for the mandatory relief the organisation must be established for charitable purposes only and the premises must be wholly or mainly used for charitable purposes. Sports

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clubs registered with HMRC as community amateur sports clubs are also entitled to 80% mandatory relief.

Certain types of business in rural villages may qualify for 50% mandatory rate relief subject to the rateable value of the property being under specified limits.

- 2 Section 47 of the Local Government Finance Act 1988 (as amended by s69 of the Localism Act 2011) provides local authorities with powers to grant discretionary rate relief of up to 100% to any ratepayer.
- 3 Discretionary rate relief can be awarded in isolation or given to ‘top-up’ a mandatory award.
- 4 However, unless one of the following apply, authorities may only grant discretionary rate relief if satisfied that it would be reasonable to do so, having regard to the interests of the council tax payers:
 - The ratepayer is a charity or trustees for a charity, and the property is wholly or mainly used for charitable purposes; or
 - The ratepayer is a community amateur sports club and the property is wholly or mainly used for the purpose of the club and other such clubs; or
 - The ratepayer is entitled to mandatory rural rate relief; or
 - All or part of the property is occupied by non-profit making organisations whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
 - The property is occupied by a club, society or other non-profit making organisation and it is wholly or mainly used for purposes of recreation.
- 5 Authorities should have easily understood guidelines for deciding whether or not to grant relief and for determining the amount of relief which should be based on the consideration of the merits of each individual case. However, as the range of bodies that may be eligible for discretionary rate relief is wide, not all the suggested criteria will be applicable in each case.

Introduction

- 6 The Council currently grants discretionary rate relief over the following categories:
 - Discretionary rate relief up to 100% of rates bill (but usual award is 80%);
 - Village Shop rate relief at 50% of rates bill;
 - Hardship relief up to 80% of rates bill; and

- Discretionary ‘top-up’ relief to take total relief up to 100% of the rates bill.
- 7 Members reviewed the criteria for granting discretionary rate relief to charities, not for profit organisations, discretionary rural rate relief and hardship relief in February 2013 and this is attached at Appendix A.
 - 8 The Government has announced the intention to double mandatory rural rate relief to 100% from 1 April 2017. However, this requires an amendment to primary legislation which cannot be implemented by 1 April 2017. Local Authorities are advised to use discretionary powers to award the additional 50% relief which will be reimbursed by way of a section 31 grant.
 - 9 Officers also recommend the award of 100% discretionary rural rate relief (previously awarded 50% relief) to those businesses offering some or all of the service of a Post Office or General Store which is essential to the community but which do not qualify for mandatory rural rate relief because of the rateable value.
 - 10 Applications from ratepayers falling outside of these criteria will be considered on their merits and individual recommendations will be made having regard to the interests of the District’s council tax payers.

Approach taken to reviewing applications

- 11 The full list of applications, together with officer recommendations, is attached at Appendix B. Each application has been considered on its own merits, however in reviewing applications against the criteria, similar organisations were considered together, to ensure consistency of approach.
- 12 The criteria was applied as follows for discretionary rate relief and discretionary top-up relief:
 - Links to Council priorities - the extent to which the activities supported the Council’s priorities was assessed, including support/activities for vulnerable or socially excluded groups.
 - Evidence of financial need including reserve levels and assets - all organisations were requested to provide financial information and reserve levels were compared to annual expenditure, to assess financial need. The ability to generate income was also considered. In addition, for sports clubs, consideration was given to whether they had applied to become community amateur sports clubs (CASCs).
 - Membership within the District - where it appeared that a substantial proportion of the membership was from outside the District, this was taken into account in putting forward a recommendation.
 - Membership open to all - where membership is restricted to a particular group or locations, or is dependent on recommendations from existing

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members this has been taken into account, as not all residents would be able to benefit from the relief granted.

- Membership fee levels - fee levels were assessed to consider whether they were so high that they could exclude some in the local community.
- Bar activity and profits - if the bar is the main activity an organisation was unlikely to be recommended for relief. Any profits are expected to be used to fund club expenses.

- 13 For discretionary village shop relief, officers considered the benefits of the shop/business to the local community when compared with the cost of the relief. It is recommended that the village shops receive relief due to the benefit they provide to local communities.
- 14 Where a ratepayer receives 100% small business rate relief the recommendation is for no discretionary rate relief or village shop relief to be granted, since the businesses already receive maximum support.
- 15 There is no formal appeals process against the Council's decisions on the discretionary reliefs referred to in this report. The current approach is however to re-consider decisions in the light of any representations made by the ratepayers.

Applications for 2017/2018

- 16 Appendix B contains the details of each applicant to be considered for relief for 2017/2018 and detailed recommendations of the level of relief to be applied.
- 17 All applicants fall to be considered under the criteria set out in Appendix A.
- 18 The level of relief is based upon the provisional multipliers announced on 20 December 2016 which are subject to confirmation. In the unlikely event that the multipliers change, a further report setting out the revised relief awards will be submitted.
- 19 If applications are approved, the total gross relief granted would be £181,558.10.
- 20 Members should be aware that the requirement for relief can change during the financial year as a result of rateable value changes, vacations etc. Therefore, some of these awards may not ultimately require full funding.
- 21 In spite of reminders, 6 organisations in receipt of discretionary rate relief for 2016/17 have yet to submit applications for 2017/18. It is anticipated that applications will be received and these will be considered individually in due course by the Chief Officer for Finance. However, for information if all previous applicants submit applications then the additional gross relief granted is estimated at £2,861.51.

Other Options Considered and/or Rejected

- 22 Members have discretion not to grant rate relief or to vary the amount of relief awarded. No recommendation is being made to reduce or remove relief because relief from business rates provides organisations with valuable support and contributes to the Council's commitment to supporting and developing the local economy.

Key Implications

Financial

- 23 Since 1 April 2013 all discretionary relief granted has come under the provisions of the business rate retention scheme. The cost of relief is effectively shared between Central Government (50%), and local authorities (50%). Of this Sevenoaks District Council is required to fund 40%.
- 24 When setting the business rates baseline for 2013/14, the Government broadly used the existing levels of discretionary relief. Because of the operation of the levy and safety net on the business rate retention scheme it is not possible to say exactly what the actual effect of granting the relief will be and it may vary between years. For example if the Council was already at the safety net then granting additional relief would have no direct impact for that year, but would as soon as the Council moved out of the safety net.
- 25 Therefore Appendix B only refers to the projected gross discretionary rate relief.

Legal Implications and Risk Assessment Statement

- 26 There are no legal issues.

Risk Assessment Statement

- 27 New organisations may request relief after the deadline for receipt of applications and so would not be able to receive discretionary relief until the next annual review. In order to address urgent cases the Chief Finance Officer determines any relief to be awarded under delegated authority. These organisations would then apply in the usual way for the next round.
- 28 A biennial application process may seem to be an additional burden for businesses, many of whom are small. Officers have taken account of this in designing the application process so as to minimise the administrative burden on applicants.

Equality Assessment

- 29 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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Conclusions

- 30 There are clear benefits to the business community of awarding discretionary rate relief and therefore the proposals are submitted for endorsement as per Appendix B.

Appendices: Appendix A - Policy for considering applications for Discretionary Rate Relief

Appendix B - List of organisations proposed to receive relief

Background Papers: None

Adrian Rowbotham
Chief Officer for Finance

Policy for considering applications for Discretionary Rate Relief

Charitable and not for profit organisations

Under National Non-Domestic Rate (NNDR) legislation the Council has the power to award discretionary rate relief to certain charitable or not for profit organisations where the following conditions are satisfied.

All or part of the property is occupied by one or more institutions or organisations which are:

- Not established for profit, **and**
- Whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
- Used wholly or mainly for recreation by a not-for-profit club or society.

Discretionary rate relief cannot be awarded if the ratepayer is a billing or precepting authority.

The process for considering applications is as follows:

- Not-for-profit organisations are asked to apply for discretionary rate relief (in isolation or as ‘top-up’ every two years, all applications to be considered at the same time.
- Cabinet to decide annually which organisations are to receive relief based on criteria including how the organisation assists the Council to achieve its priorities (see below). This includes deciding the level of relief to be granted in each case.

Criteria	Explanation
Links to Council priorities	The extent to which the activities of the organisation support the Council’s priorities as set out in the Corporate Plan, and specifically supporting and developing the local economy and providing good value for money through a balanced budget.
Evidence of financial need including reserve levels and assets	Organisations with high levels of reserves (covering more than 12 months’ expenditure) or who cannot demonstrate a financial need would not be a priority for rate relief.

Membership within District	As 40% of the relief is funded by SDC taxpayers priority will be given to those organisations with a high proportion of members from within the District.
Membership open to all	To give all residents an opportunity to benefit from the rate relief, priority should be given to organisations where membership is open to all.
Membership fee levels	Where membership fees are charged they should not be so high as to exclude any of the community.
Extent to which activity is based around Bar and use of profits from it	Priority would not be given to those organisations where the bar is the main activity. It would be expected that any profits from the bar would be put back to fund club expenses.

Discretionary rural rate relief

Certain types of business in rural villages, with a population below 3,000, may qualify for rate relief of 50%. Businesses that qualify for this relief are the sole general store and the sole post office in the village, provided it has a rateable value of up to £8,500, any food shop with a rateable value of up to £8,500 and the sole pub and the sole petrol station in the village provided it has a rateable value of up to £12,500. The Council has discretion to give further relief on the remaining bill on such property.

The Council may decide to give up to 100% relief to any other business in such a rural village, with a rateable value of up to £16,500, if it is satisfied that the business is of benefit to the community and having regard to the interests of its council tax payers.

Hardship Relief

Hardship relief is granted in exceptional circumstances, any business can apply for hardship relief if they can show the following:

- The business would suffer hardship if relief was not granted; and
- It is in the interests of council tax payers for relief to be granted.

An application needs to be supported by current trading figures as well as previous audited accounts or accounts accepted by HMRC. In assessing an

application regard will be had to employment issues for the company or any related business and the impact that the loss of business would have on the local area. The current approval process is that the Finance Team carries out a review of the business's accounts and the Chief Finance Officer decides whether hardship relief is appropriate based on each case's merits. In practice hardship relief has been granted in only exceptional cases to date.

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Ref	Organisation name and property description/address	Parish	% for 2017/18	Estimated Relief for 2017/18	Recommendation/comments
	DISCRETIONARY RELIEF				
30559572	Army Cadet Force Hall Argyle Road, Sevenoaks	Sevenoaks	80	£4,976.30	Recommended
30561773	Army Cadet Force Hall Swanley Lane, Swanley	Swanley	80	£2,311.36	Recommended
30562325	Army Cadet Force Hall 8 High Street, Westerham	Westerham	80	£2,423.20	Recommended
30558326	Hartley & District Social Club Ltd Club Ash Road, Hartley	Hartley	0	£0.00	Not Recommended Will be entitled to 100% Small Business Rate Relief
30567870	Manor Forstal Residents Society Ltd Garage 97-98 Manor Forstal	Ash Cum Ridley	0	£0.00	Not Recommended Will be entitled to 100% Small Business Rate Relief
30578788	New Ash Green Village Association Ltd Offices Centre Road, New Ash Green	Ash Cum Ridley	80	£4,818.32	Recommended

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30553475	New Ash Green Village Association Ltd Workshop Ash Road, New Ash Green	Ash Cum Ridley	80	£5,126.00	Recommended
30570319	New Ash Green Village Association Ltd Hall Ash Road, New Ash Green	Ash Cum Ridley	80	£3,019.68	Recommended
30557491	New Ash Green Village Association Ltd Sports Ground Punch Croft, New Ash Green	Ash Cum Ridley	80	£6,244.40	Recommended
30709346	RACDV Sales Ltd 36 Swanley Centre, Swanley	Swanley	80	£5,079.97	Recommended Charity shop
30710445	Target Your Potential Ltd	Edenbridge	80	£6,013.02	Recommended
30573806	Royal British Legion (Westerham) Club Ltd Club Mill Lane, Westerham	Westerham	0	£0.00	Not Recommended Will be entitled to 100% Small Business Rate Relief

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
	TOP-UP RELIEF				
30550568	10th Sevenoaks (Weald's own) Scout Group Hall Glebe Road, Sevenoaks	Sevenoaks Weald	20	£303.92	Recommended
30562165	15th Sevenoaks (Otford) Scouts Hall Station Road, Otford	Otford	20	£287.85	Recommended
30565195	17th Sevenoaks (Westerham) Scout Group Hall Hortons Way, Westerham	Westerham	20	£215.92	Recommended
30557095	1st Crockenhill Scouts Group Hall Stones Cross Road, Swanley	Swanley	20	£170.56	Recommended
30561414	Edenbridge Scout Group Hall Station Road, Edenbridge	Edenbridge	20	£213.16	Recommended
30558593	1st Eynsford & Farningham Scout Group Hall Priory Lane, Eynsford	Eynsford	20	£234.71	Recommended
30565812	1st Horton Kirby Scout Group Hall Horton Road, Horton Kirby	Horton Kirby	20	£237.17	Recommended

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30558555	1st Sevenoaks Scout Group Hall 57 Oakhill Road, Sevenoaks	Sevenoaks	20	£349.67	Recommended
30562080	3rd Sevenoaks (Riverhead & Dunton Green) Scouts Hall Bradbourne Vale Road	Sevenoaks	20	£306.56	Recommended
30573417	6th Sevenoaks (Kemsing) Scout Group Hall Heaverham Road, Kemsing	Kemsing	20	£189.22	Recommended
30566792	7th Sevenoaks (Halstead) Scout Group Hall Shoreham Lane, Halstead	Halstead	20	£105.38	Recommended
30556245	7th Tonbridge (Eden Valley) Scout Group Hall Kiln Lane, Leigh	Leigh	20	£249.08	Recommended
30631306	Rural Age Concern Darent Valley Community Centre Scratchers Lane, Fawkham	West Kingsdown	20	£263.45	Recommended
30638543	Age Concern Sevenoaks & District Offices St John's Road, Sevenoaks	Sevenoaks	20	£1,631.06	Recommended

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30642788	Age Concern Sevenoaks & District Shop London Road, Sevenoaks	Sevenoaks	20	£1,307.69	Recommended
30612176	Badgers Mount Memorial Hall Hall Highlands Rd, Badgers Mount	Shoreham	20	£383.20	Recommended
30574069	Sevenoaks Citizens Advice Bureau Offices Buckhurst Lane, Sevenoaks	Sevenoaks	20	£759.22	Recommended
30569890	Farningham Village Hall Hall High Street, Farningham	Farningham	20	£383.20	Recommended
30604373	Eden Valley Museum Trust Museum High Street, Edenbridge	Edenbridge	20	£748.49	Recommended
30693953	Edenbridge & Westerham Citizens Advice Bureau Office The Eden Centre, Edenbridge	Edenbridge	20	£1,493.02	Recommended

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30558982	Fawkham Village Hall Hall Valley Road, Fawkham	Fawkham	20	£584.38	Recommended
30675078	Hartley Village Hall Hall Ash Road, Hartley	Hartley	20	£282.53	Recommended
30555785	Ide Hill Village Hall Management Committee Store Ide Hill Village Hall	Sundridge	20	£213.16	Recommended
30570296	Ide Hill Village Hall Management Committee Hall Ide Hill Village Hall	Sundridge	20	£266.59	Recommended
30658332	Longfield & Hartley Scout Grp Club House Larkwell Lane, Hartley	Hartley	20	£488.58	Recommended
30676033	Relate West & Mid Kent Store 12-14 Wealden Place,Sevenoaks	Sevenoaks	20	£369.63	Recommended

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30643088	Riverside Players Store Furlong Farm, Eynsford	Eynsford	20	£217.95	Recommended
30575161	Sevenoaks District Scout Council Hall School Lane, Seal	Seal	20	£268.24	Recommended
30607563	Sevenoaks Leisure Ltd Leisure Centre Edenbridge Leisure Centre	Edenbridge	20	£21,971.45	Recommended
30605970	Sevenoaks Leisure Ltd Leisure Centre White Oak Leisure Centre	Swanley	20	£43,912.24	Recommended
30607556	Sevenoaks Leisure Ltd Swimming Pool Sevenoaks Leisure Centre	Sevenoaks	20	£25,512.05	Recommended
30607570	Sevenoaks Leisure Ltd Shop Lullingstone Golf Club	Crockenhill	20	£800.36	Recommended
30671342	Stag Community Arts Centre Theatre & Cinema London Road, Sevenoaks	Sevenoaks	20	£4,816.08	Recommended
30567641	4th Sevenoaks (St John's) Scout Group Hall Mill Lane, Sevenoaks	Sevenoaks	20	£724.74	Recommended

Ref	Organisation name and property description/address	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30554416	Halstead Village Hall Knockholt Road, Halstead	Halstead	20	£303.79	Recommended
30557156	Oxford Village Memorial Hall High street, Oxford	Oxford	20	£671.60	Recommended
30610552	Remap 2010 Unit D9 Chaucer Business Park Kemsing	Kemsing	20	£887.78	Recommended
30569487	Ash Village Hall Hall The Street, Ash	Ash Cum Ridley	20	£258.66	Recommended
30672130	YMCA Workshop Warsop Trading Estate, Edenbridge	Edenbridge	20	£1,700.45	Recommended Property used as warehouse/distribution centre for donated goods
30721865	Hextable Community Collective 39 Egerton Avenue Hextable	Hextable	20	£2,627.60	Recommended
30722288	Rainbow Pre-School Coolings Green & Pleasant Knockholt	Knockholt	20	£653.72	Recommended
30720022	Swanley & District Foodbank	Swanley	20	£443.76	Recommended
30702369	Kingsdown Village Hall Hall London Road, West Kingsdown	West Kingsdown	20	£1,724.40	Recommended

	RURAL RATE RELIEF OFFICER RECOMMENDED	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30575154	BD & CB Patel Convenience Store 6 East Hill, South Darenth	Horton Kirby	0	£0.00	Not Recommended Will be entitled to 100% Small Business Rate Relief
30583360	Mr M Patel Retail and post office 4-5 The Broadway, Crockenhill	Crockenhill	100	£4,960.54	Recommended To bring into line with mandatory relief
30602841	Seal Supermarket Ltd General Store 21 High Street, Seal	Seal	100	£6,668.05	Recommended To bring into line with mandatory relief
30551899	Mr Alan Johnston Shop Park View, High Street, Leigh	Leigh	50	£1,465.80	Recommended To give effect to Government requirement for 100% relief
30590368	Mr Gary Belcher & Ms Julie Fuller Petrol Filling Station Four Elms Road, Edenbridge	Hever	50	£881.63	Recommended To give effect to Government requirement for 100% relief
30599426	Mr C G Martin Shop 27 High Street, Seal	Seal	50	£1,947.28	Recommended To give effect to Government requirement for 100% relief
30574007	Mr B Edwards Bakery The Green, Sevenoaks Weald	Sevenoaks Weald	50	£490.98	Recommended To give effect to Government requirement for 100% relief
30555464	Mr J Sparrow Butchers Windmill Road, Sevenoaks Weald	Sevenoaks Weald	50	£263.45	Recommended To give effect to Government requirement for 100% relief
30572421	Mr N Stokes Shop Essington House, Eynsford	Eynsford	50	£1,599.94	Recommended To give effect to Government requirement for 100% relief

	RURAL RATE RELIEF OFFICER RECOMMENDED	Parish	% for 2017/18	Relief for 2017/18	Recommendation/comments
30651812	Mrs Patricia Bye Post Office Chiddingstone Causeway	Chiddingstone	50	£828.17	Recommended To bring into line with mandatory relief
30697481	Ide Hill Community Shop CIC Village Store Ide Hill	Sundridge	50	£1,676.50	Recommended To bring into line with mandatory relief
30556207	Penshurst Place Petrol Filling Station High Street, Penshurst	Penshurst	50	£1,231.24	Recommended To bring into line with mandatory relief

Discretionary Rate Relief	Number		Relief 2017/18
Total Officer Recommended	9		£40,012.25
Total Officer Rejected	3		
Top-up Relief			
Total Officer Recommended	43		£119,532.27
Total Officer Rejected	0		£0.00
Rural Rate Relief			
Total Officer Recommended	11		£22,013.58
Total Officer Rejected	1		£0.00

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Item 10 - Treasury Management Strategy 2017-18

The attached report was considered by the Finance Advisory Committee on 31 January 2017. The relevant Minute extract was not available prior to the printing of this agenda.

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TREASURY MANAGEMENT STRATEGY 2017/18

Cabinet - 9 February 2017

Report of the: Chief Finance Officer

Status: For Decision

Also considered by: Finance Advisory Committee - 31 January 2017

Council - 21 February 2017

Key Decision: No

Executive Summary: The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

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

Portfolio Holder Cllr. Scholey

Contact Officer Roy Parsons, Principal Accountant - Ext 7204

Recommendation to Finance Advisory Committee: That the recommendation to Cabinet be approved.

Recommendation to Cabinet: That, subject to the views of the Finance Advisory Committee, Cabinet recommend that Council approve the Treasury Management Strategy for 2017/18.

Recommendation to Council: That the Treasury Management Strategy for 2017/18 be approved.

Reason for recommendations: To ensure that an appropriate and effective annual Treasury Management Strategy is drawn up in advance of the forthcoming financial year, which meets both legislative and best practice requirements.

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Background

- 1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 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 that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 3 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management 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.”

Introduction

Reporting requirements

- 4 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Finance Advisory Committee.
- 5 Prudential and Treasury Indicators and Treasury Strategy (This report) - The first, and most important report covers:
 - the capital plans (including prudential indicators);
 - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
 - an investment strategy (the parameters on how investments are to be managed).

- 6 A Mid Year Treasury Management Report - This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- 7 An Annual Treasury Report - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Treasury Management Strategy for 2017/18

- 8 The strategy for 2017/18 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy.

Treasury management Issues

- the current treasury position;
 - treasury indicators which will limit the treasury risk and activities of the Council;
 - prospects for interest rates;
 - the borrowing strategy;
 - policy on borrowing in advance of need;
 - the investment strategy;
 - creditworthiness policy; and
 - policy on the use of external service providers.
- 9 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department of Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

Training

- 10 The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training was last undertaken in 2010 and further training will be arranged as required.
- 11 The training needs of treasury management officers are reviewed periodically.

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Treasury management consultants

- 12 The Council uses Capita Asset Services, Treasury Solutions as its external treasury management advisors.
- 13 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 14 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and subjected to review.

Capital Issues

The Capital Prudential Indicators 2017/18 - 2019/20

- 15 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

Capital Expenditure

- 16 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure	8,249	15,640	6,873	13,437	3,038

- 17 Other long term liabilities. The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.
- 18 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

	2015/16 Actual £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Capital Expenditure	8,249	15,640	6,873	13,437	3,038
Financed by:					
Capital receipts	3,336	137	1,591	4,000	400
Capital grants	802	534	889	889	889
Capital reserves	3,782	9,955	45	0	0
Revenue	329	514	548	2,548	1,149
Net financing need for the year	0	4,500	3,800	6,000	600

The Council's Borrowing Need (the Capital Financing Requirement)

- 19 The second prudential indicator is the Council's capital financing requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 20 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.
- 21 The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £0.2m of such schemes within the CFR.
- 22 The Council is asked to approve the CFR projections below:

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	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Financing Requirement					
Total CFR	101	4,580	8,179	13,833	13,860
Movement in CFR	(21)	4,479	3,599	5,654	27

Movement in CFR represented by:					
Net financing need for the year (above)	0	4,500	3,800	6,000	600
<u>Less</u> MRP/VRP and other financing movements	(21)	(21)	(201)	(346)	(573)
Movement in CFR	(21)	4,479	3,599	5,654	27

Note:- The MRP / VRP includes finance lease annual principal payments

Minimum Revenue Provision (MRP) Policy Statement

- 23 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 24 CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:
- 25 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be based on CFR.
- 26 This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

27 From 1 April 2008 for all unsupported borrowing (including PFI and finance leases), the MRP policy will be either:

- Asset life method - MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction); or
- Depreciation method - MRP will follow standard depreciation accounting procedures.

These options provide for a reduction in the borrowing need over approximately the asset's life. Repayments included in annual PFI or finance leases are applied as MRP.

28 It is proposed to use the 'Asset life method' in the calculation of the Council's MRP. In choosing to do so, there are two options available:

- Equal instalments - where the principal repayment made is the same in each year; or
- Annuity - where the principal repayments increase over the life of the asset.

29 Of the two options, the annuity method seems to be the most suitable for the Council at this time, particularly for assets that generate income. It matches the repayment profile to how the benefits of the asset financed by borrowing are consumed over its useful life (i.e. it reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years). Interest will be greater at the beginning of the loan, at which time all of the principal is outstanding, so the amount of principal repayment is lower in the initial years. The schedule of charges produced by the annuity method results in a consistent charge of principal and interest over an asset's life, taking into account the real value of the annual charges when they fall due.

30 MRP commences in the financial year following that in which the expenditure is incurred, or in the year following that in which the relevant asset becomes operational. This enables an MRP "holiday" to be taken in relation to assets which take more than one year to be completed before they become operational.

Core Funds and Expected Investment Balances

31 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

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Year End Resources	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Fund balances / reserves	24,095	20,302	19,323	17,261	17,365
Capital receipts	381	4,589	4,488	488	88
Provisions	534	534	534	534	534
Other	0	0	0	0	0
Total core funds	25,010	25,425	24,345	18,283	17,987
Working capital*	9,735	9,835	9,935	10,035	10,135
(Under)/over borrowing	0	(4,580)	(5,179)	(4,953)	(4,740)
Expected investments	34,745	30,680	29,101	23,365	23,382

*Working capital balances shown are estimated year end; these may be higher mid year

Affordability Prudential Indicators

- 32 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of Financing Costs to Net Revenue Stream

- 33 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs, net of investment income) against the net revenue stream.

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
Ratio	(3.00%)	(2.00%)	0.00%	1.00%	0.00%

The estimates of financing costs include current commitments and the proposals in the budget report.

Incremental Impact of Capital Investment Decisions on Council Tax.

- 34 This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
Council tax band D	£0.00	(£0.04)	(£0.05)	£0.00	(£0.01)

Treasury Management Issues

Borrowing

- 35 The capital expenditure plans set out above provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current Portfolio Position

- 36 The Council's treasury portfolio position at 31 December 2016 appears in Appendix A.
- 37 The Council's treasury portfolio position at 31 March 2016, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement or CFR), highlighting any over or under borrowing.

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	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt					
Debt at 1 April	0	0	0	3,000	8,880
Expected change in Debt	0	0	3,000	5,880	240
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross Debt at 31 March	0	0	3,000	8,800	9,120
The Capital Financing Requirement (CFR)	101	4,580	8,179	13,833	13,860
Under / (over) borrowing	101	4,580	5,179	4,953	4,740

- 38 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- 39 The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
- 40 The above mentioned portfolio position shows that, at present, this authority does not borrow. This has been the position for a number of years. However, this may change in future and hence the strategy needs to deal with such a situation, should it arise.

Treasury indicators which will limit the treasury risk and activities of the Council

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

- 41 This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Debt	10,000	20,000	20,000	20,000
Other long term liabilities	0	0	0	0
Total	10,000	20,000	20,000	20,000

The Authorised Limit for external debt

- 42 A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 43 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- 44 The Council is asked to approve the following Authorised Limit:

Authorised limit	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Debt	10,000	20,000	20,000	20,000

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Other long term liabilities	0	0	0	0
Total	10,000	20,000	20,000	20,000

Prospects for Interest Rates

- 45 The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendix B draws together a number of current City forecasts for short term and longer fixed interest rates. Appendix C contains Capita Asset Services' latest economic background report.

Borrowing Strategy

- 46 At present, there are no capital borrowings. However, should this change during 2017/18, the Council would look to maintain an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement or CFR) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is considered a prudent one as investment returns are low and counterparty risk is relatively high.
- 47 Against this background and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
 - *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*
- 48 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Treasury Management Limits on Activity

49 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs and/or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position, net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

50 The Council is asked to approve the following treasury indicators and limits:

	2017/18	2018/19	2019/20
	%	%	%
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100	100	100
Limits on variable interest rates based on net debt	50	50	50
Maturity structure of fixed interest rate borrowing 2017/18			
		Lower	Upper
Under 12 months		0	100
12 months to 2 years		0	100

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2 years to 5 years	0	100
5 years to 10 years	0	100
10 years and above	0	100
Maturity structure of variable interest rate borrowing 2017/18		
	Lower	Upper
Under 12 months	0	100
12 months to 2 years	0	100
2 years to 5 years	0	100
5 years to 10 years	0	100
10 years and above	0	100

As borrowing is yet to be undertaken, the maturity structures have all been set with an upper limit of 100%. If and when this happens, these limits can be refined in light of actual borrowing patterns.

Policy on borrowing in advance of need

- 51 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 52 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Municipal Bonds Agency

- 53 It is likely that the Municipal Bonds Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). If the Council does borrow in the future it intends to make use of this new source of funding as and when appropriate.

Annual Investment Strategy

Investment Policy

- 54 The Council's investment policy has regard to the Department of Communities and Local Government (CLG) Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.
- 55 In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- 56 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" (CDS) and overlay that information on top of the credit ratings.
- 57 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 58 Investment instruments identified for use in the financial year are listed in Appendix D under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set below.

Creditworthiness Policy

- 59 This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;

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- sovereign ratings to select counterparties from only the most creditworthy countries.

60 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour as individually specified in the Strategy

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
A. Banks - UK	Purple	£7m	2 years
B. Banks - UK	Orange	£7m	1 year
C. Banks - UK (part nationalised)	Blue	£10m	1 year
D. Banks - UK	Red	£7m	6 months
E. Banks - UK	Green	£7m	100 days
F. Banks - UK	No Colour	Not to be used	
G. Banks - non UK	All Colours	£5m	Dependent on Colour
H. Council's banker (if not meeting Banks A. to G.)	N/A	£7m	1 day
I. Other institutions limit	All Colours	£5m	Dependent on Colour

J. Other institutions limit	No Colour	£4m	100 days
K. DMADF	AAA	£5m	6 months
L. Local authorities	N/A	£5m	2 years
	Fund rating	Money and/or % Limit	Time Limit
M. Money market funds	AAA	£5m (per fund)	Liquid
N. Enhanced money market funds	AAA	£5m (per fund)	Liquid

- 61 The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 62 Typically the minimum credit ratings criteria the Council uses will be a Short Term rating (Fitch or equivalents) of short term rating F1 and a long term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 63 All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services creditworthiness service.
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 64 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

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Country limits

- 65 The Council has determined that it will only use approved counterparties from countries that have a minimum sovereign credit rating of AA- from Fitch and where those countries have been approved by the Finance Advisory Committee. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other creditworthiness issues

- 66 The Council's current investment policy further limits the one proposed by Capita Asset Services as follows:-
- a. Maximum investment period of two years. Part nationalised UK banks also have a two year duration limit.
 - b. Investments in any single institution or institutions within a group of companies are limited to 25% of the total fund, at the time the investment is placed, except for Lloyds Banking Group plc and Royal Bank of Scotland Group plc where the limit is 30%.
 - c. Total investments in any one foreign country are limited to 15% of the total fund, but UK-based institutions to be used as first preference. The only country, other than the UK, approved for investment is Sweden.
 - d. Investments are limited to £6m per bank excluding call accounts and £7m including call accounts except for:-
 - (i) Lloyds Banking Group plc and Royal Bank of Scotland Group plc, where the limits are £10m for each with no distinction between fixed deposits and call accounts; and
 - (ii) Svenska Handelsbanken AB, where the limit is £5m with no distinction between fixed deposits and call accounts.
 - e. If the Council's own banker, Barclays, falls below Capita Asset Services' minimum credit rating requirements, it will nevertheless continue to be used, although balances will be minimised in both monetary size and duration.
 - f. Building Societies with assets in excess of £9bn are included in the lending list with a maximum investment limit of £4m each and a maximum duration of 100 days. If a Building Society meets Capita Asset Services' minimum credit rating requirements, the investment limit is increased to £5m with a maximum investment duration of two years.

- g. Investments in Money Market Funds (MMFs) and Enhanced Money Market Funds (EMMFs) are limited to a combined maximum of £5m per provider.

Investment Strategy

- 67 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 68 Bank Rate is forecast to stay flat at 0.25% until quarter 2 2019 and not to rise above 0.75% by quarter 1 2020. Bank Rate forecasts for financial year ends (March) are:
- 2016/17 0.25%
 - 2017/18 0.25%
 - 2018/19 0.25%
 - 2019/20 0.50%
- 69 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:
- 2016/17 0.25%
 - 2017/18 0.25%
 - 2018/19 0.25%
 - 2019/20 0.50%
 - 2020/21 0.75%
 - 2021/22 1.00%
 - 2022/23 1.50%
 - 2023/24 1.75%
 - Later years 2.75%
- 70 The overall balance of risks to these forecasts is probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in Bank rate could be pushed back. On the other hand, should the pace of growth quicken and/or forecasts for increases in inflation rise, there could be an upside risk (i.e. Bank Rate increases occur earlier and/or at a quicker pace).
- 71 The Council is asked to approve the following treasury indicator and limit. These limits are set with regard to the Council's liquidity requirements and to reduce the need for an early sale of an investment. They are based on the availability of funds after each year-end.

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Maximum principal sums invested > 364 days	2017/18 £000	2018/19 £000	2019/20 £000
Principal sums invested > 364 days	10,000	10,000	10,000

- 72 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

Investment risk benchmarking

- 73 The Council will use an investment benchmark to assess the performance of its portfolio. The benchmarks will be 7 day and 3 month LIBID uncompounded.

End of year investment report

- 74 At the end of the financial year, the Council will receive a report on its investment activity as part of the Annual Treasury Report.

Scheme of delegation

- 75 The guidance notes accompanying the revised Code also require that a statement of the Council's scheme of delegation in relation to treasury management is produced as part of the Annual Investment Strategy. This appears at Appendix F.

Role of the Section 151 officer

- 76 As with the scheme of delegation mentioned in the previous paragraph, a statement of the role of the Section 151 officer is also required. This appears at Appendix G.

Key Implications

Financial

- 77 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

- 78 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.

- 79 This annual investment strategy report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.
- 80 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.

Consideration of risk is integral in our approach to treasury management.

- 81 The movement in previous years towards having a restricted lending list of better quality institutions but higher individual limits with those institutions has reduced the chances of a default. But if a default did occur, the potential loss would be greater.
- 82 These risks are mitigated by the annual investment strategy which has been prepared on the basis of achieving the optimum return on investments commensurate with proper levels of security and liquidity. However, Members should recognise that in the current economic climate, these remain significant risks and that the strategy needs to be constantly monitored.

Equality Assessment

- 83 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

- 84 The effect of the proposals set out in this report is to allow the Council to effectively and efficiently manage cash balances.
- 85 In line with the revised CIPFA Code of Practice on Treasury Management, the Annual Treasury Strategy must be considered by Council and this is planned for its meeting on 21 February 2017. Given the current uncertainties in the banking sector and financial markets, the Council may need to consider amending its strategy during the year.

Appendices:

Appendix A - Investment portfolio at 31 December 2016

Appendix B - Prospects for interest rates

Appendix C - Economic background report

Appendix D - Specified and non-specified

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investments

Appendix E - Approved countries for investments

Appendix F - Treasury management scheme of delegation

Appendix G - The treasury management role of the S151 officer

Background Papers:

None

**Adrian Rowbotham
Chief Finance Officer**

APPENDIX A: CURRENT PORTFOLIO POSITION

List of Investments as at:- 31-Dec-16

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms
	Santander UK plc (Business Reserve A/C)	A	U.K.	Santander	0	01-Apr-99			0.40000%	Variable
	Santander UK plc (Money Market A/C)	A	U.K.	Santander	0	09-Oct-06			0.40000%	Variable
	Clydesdale Bank plc (30 Day Notice Corporate A/C)	A	U.K.	NAB	0	10-Sep-10			0.40000%	Variable
	Barclays Bank plc (Business Premium A/C)	A	U.K.		2,813,000	01-Oct-11			0.30000%	Variable
	Barclays Bank plc (Flexible IBCA)	A	U.K.		0	01-Jun-14			0.45000%	Variable
	National Westminster Bank plc (Liquidity Select)	BBB+	U.K.	RBS	0	07-Oct-11			0.01000%	Variable
	National Westminster Bank plc (95 Day Notice)	BBB+	U.K.	RBS	0	24-May-13			0.10000%	Variable
	Svenska Handelsbanken AB (Deposit A/C)	AA-	Sweden		1,000,000	23-Jul-14			0.15000%	Variable
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA-	Sweden		2,000,000	01-Sep-16			0.25000%	Variable
	Standard Life Liquidity Fund (Money Market Fund)	AAA	U.K.		5,000,000	11-May-12				Variable
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		2,000,000	11-May-12				Variable
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		5,000,000	13-Oct-16				Variable
IP1323	Barclays Bank plc	A	U.K.		2,000,000	10-Oct-16	0.29000%	10-Jan-17		3 Months
IP1312	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	09-Aug-16	0.65000%	09-Feb-17		6 Months
IP1314	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	19-Aug-16	0.65000%	20-Feb-17		6 Months
IP1307	Coventry Building Society	A	U.K.		1,000,000	15-Jul-16	0.42000%	16-Jan-17		6 Months
IP1309	Coventry Building Society	A	U.K.		2,000,000	22-Jul-16	0.42000%	23-Jan-17		6 Months
IP1331	Coventry Building Society	A	U.K.		2,000,000	17-Nov-16	0.37000%	17-May-17		6 Months
IP1304	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	04-Jul-16	0.80000%	04-Jan-17		6 Months
IP1321	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	2,000,000	29-Sep-16	0.65000%	29-Mar-17		6 Months
IP1322	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	05-Oct-16	0.65000%	05-Apr-17		6 Months
IP1327	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	26-Oct-16	0.65000%	26-Apr-17		6 Months
IP1328	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	03-Nov-16	0.65000%	03-May-17		6 Months
IP1329	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	04-Nov-16	0.60000%	04-May-17		6 Months
IP1332	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	28-Nov-16	0.60000%	30-May-17		6 Months
IP1306	Nationwide Building Society	A	U.K.		1,000,000	11-Jul-16	0.53000%	11-Jan-17		6 Months
IP1310	Nationwide Building Society	A	U.K.		1,000,000	08-Aug-16	0.40000%	08-Feb-17		6 Months
IP1326	Nationwide Building Society	A	U.K.		1,000,000	17-Oct-16	0.42000%	18-Apr-17		6 Months
IP1232	Royal Bank of Scotland plc	BBB+	U.K.	RBS	3,000,000	15-Apr-15	1.21000%	18-Apr-17		2 Years
IP1317	Santander UK plc	A	U.K.		2,000,000	08-Sep-16	0.46000%	08-Mar-17		6 Months
IP1320	Santander UK plc	A	U.K.		2,000,000	23-Sep-16	0.46000%	23-Mar-17		6 Months
IP1316	Thurrock Borough Council		U.K.		1,000,000	28-Oct-16	0.30000%	28-Apr-17		6 Months

Total Invested

45,813,000

Other Loan

Sevenoaks Leisure Limited					250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years
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APPENDIX B: Interest Rate Forecasts 2017 – 2020

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Capita Asset Services Interest Rate View													
	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank Rate View	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
3 Month LIBID	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%
6 Month LIBID	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
12 Month LIBID	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%
5yr PWLB Rate	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB Rate	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB Rate	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Bank Rate													
Capita Asset Services	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%
5yr PWLB Rate													
Capita Asset Services	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
Capital Economics	1.60%	1.70%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.70%	2.80%	2.90%	3.00%
10yr PWLB Rate													
Capita Asset Services	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
Capital Economics	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	3.10%	3.20%	3.30%	3.40%
25yr PWLB Rate													
Capita Asset Services	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
Capital Economics	2.95%	3.05%	3.05%	3.15%	3.25%	3.25%	3.35%	3.45%	3.55%	3.65%	3.75%	3.95%	4.05%
50yr PWLB Rate													
Capita Asset Services	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Capital Economics	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.60%	3.70%	3.80%	3.90%

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- 1 The Monetary Policy Committee, (MPC), cut Bank Rate from 0.50% to 0.25% on 4th August in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was likely to cut Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling since early August. Consequently, Bank Rate was not cut again in November or December and, on current trends, it now appears unlikely that there will be another cut, although that cannot be completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 - 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.
- 2 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year.
- 3 Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- 4 The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected that at some point, there would be a start to a switch back from bonds to equities after a historic long term trend over about the last twenty five years of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial quantitative easing purchases of bonds, added further impetus to this downward trend in bond yields and rising prices of bonds. The opposite side of this coin has been a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election, has called into question whether, or when, this trend has, or may, reverse, especially when America is likely to lead the way in reversing monetary policy. Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as strong economic growth becomes more firmly established. The expected substantial rise in the Fed rate over the next few years may make holding US bonds much less attractive and cause their prices to

fall, and therefore bond yields to rise. Rising bond yields in the US would be likely to exert some upward pressure on bond yields in other developed countries but the degree of that upward pressure is likely to be dampened by how strong, or weak, the prospects for economic growth and rising inflation are in each country, and on the degree of progress in the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

- 5 PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.
- 6 The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.
- 7 Apart from the above uncertainties, **downside risks to current forecasts** for UK gilt yields and PWLB rates currently include:
 - Monetary policy action by the central banks of major economies reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some countries, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
 - Major national polls:
 - Italian constitutional referendum 4.12.16 resulted in a 'No' vote which led to the resignation of Prime Minister Renzi. This means that Italy needs to appoint a new government.
 - Spain has a minority government with only 137 seats out of 350 after already having had two inconclusive general elections in 2015 and 2016. This is potentially highly unstable.
 - Dutch general election 15.3.17;
 - French presidential election April/May 2017;
 - French National Assembly election June 2017;
 - German Federal election August - October 2017.
 - A resurgence of the Eurozone sovereign debt crisis, with Greece being a particular problem, and stress arising from disagreement between EU countries on free movement of people and how to handle a huge influx of immigrants and terrorist threats
 - Weak capitalisation of some European banks, especially Italian.
 - Geopolitical risks in Europe, the Middle East and Asia, causing a significant increase in safe haven flows.

- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

8 The potential for **upside risks to current forecasts** for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -

- UK inflation rising to significantly higher levels than in the wider EU and in the US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed. funds rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing 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.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

Investment and borrowing rates

- 9 Investment returns are likely to remain low during 2017/18 and beyond.
- 10 Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt.
- 11 There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost - the difference between borrowing costs and investment returns.

APPENDIX C: Economic Background

UK

- 1 **GDP growth rates** in 2013, 2014 and 2015 of 2.2%, 2.9% and 1.8% were some of the strongest rates among the G7 countries. Growth is expected to have strengthened in 2016 with the first three quarters coming in respectively at +0.4%, +0.7% and +0.5%. The latest Bank of England forecast for growth in 2016 as a whole is +2.2%. The figure for quarter 3 was a pleasant surprise which confounded the downbeat forecast by the Bank of England in August of only +0.1%, (subsequently revised up in September, but only to +0.2%). During most of 2015 and the first half of 2016, the economy had faced headwinds for exporters from the appreciation of sterling against the Euro, and weak growth in the EU, China and emerging markets, and from the dampening effect of the Government's continuing austerity programme.
- 2 The **referendum vote for Brexit** in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted by the Bank of England in its August Inflation Report as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post reasonably strong growth numbers through the second half of 2016 and also in 2017, albeit at a slower pace than in the first half of 2016.
- 3 The **Monetary Policy Committee (MPC) meeting of 4th August** was therefore dominated by countering this expected sharp slowdown and resulted in a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing, with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing being made available for banks to use to lend to businesses and individuals.
- 4 The **MPC meeting of 3 November** left Bank Rate unchanged at 0.25% and other monetary policy measures also remained unchanged. This was in line with market expectations, but a major change from the previous quarterly Inflation Report MPC meeting of 4 August, which had given a strong steer, in its forward guidance, that it was likely to cut Bank Rate again, probably by the end of the year if economic data turned out as forecast by the Bank. The MPC meeting of 15 December also left Bank Rate and other measures unchanged.
- 5 The latest MPC decision included a forward view that **Bank Rate** could go either up or down depending on how economic data evolves in the coming months. Our central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in quarter 2 2019 (unchanged from our previous forecast). However, we would not, as yet, discount the risk of a cut in Bank

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Rate if economic growth were to take a significant dip downwards, though we think this is unlikely. We would also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK, (especially over the terms of Brexit), EU, US and beyond, which could have a major impact on our forecasts.

- 6 The pace of Bank Rate increases in our forecasts has been slightly increased beyond the three year time horizon to reflect higher inflation expectations.
- 7 The August quarterly Inflation Report was based on a pessimistic forecast of near to zero GDP growth in quarter 3 i.e. a sharp slowdown in growth from +0.7% in quarter 2, in reaction to the shock of the result of the referendum in June. However, **consumers** have very much stayed in a 'business as usual' mode and there has been no sharp downturn in spending; it is consumer expenditure that underpins the services sector which comprises about 75% of UK GDP. After a fairly flat three months leading up to October, retail sales in October surged at the strongest rate since September 2015 and were again strong in November 2016. In addition, the GfK consumer confidence index recovered quite strongly to -3 in October after an initial sharp plunge in July to -12 in reaction to the referendum result. However, in November it fell to -8 indicating a return to pessimism about future prospects among consumers, probably based mainly around concerns about rising inflation eroding purchasing power.
- 8 **Bank of England GDP forecasts** in the November quarterly Inflation Report were as follows, (August forecasts in brackets) - 2016 +2.2%, (+2.0%); 2017 1.4%, (+0.8%); 2018 +1.5%, (+1.8%). There has, therefore, been a sharp increase in the forecast for 2017, a marginal increase in 2016 and a small decline in growth, now being delayed until 2018, as a result of the impact of Brexit.
- 9 **Capital Economics' GDP forecasts** are as follows: 2016 +2.0%; 2017 +1.5%; 2018 +2.5%. They feel that pessimism is still being overdone by the Bank and Brexit will not have as big an effect as initially feared by some commentators.
- 10 **The Chancellor** has said he will do 'whatever is needed' i.e. to **promote growth**; there are two main options he can follow - fiscal policy e.g. cut taxes, increase investment allowances for businesses, and/or increase government expenditure on infrastructure, housing etc. This will mean that the PSBR deficit elimination timetable will need to slip further into the future as promoting growth, (and ultimately boosting tax revenues in the longer term), will be a more urgent priority. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting to boost economic growth and suggested that the Government would need to help growth e.g. by increasing investment expenditure and by using fiscal policy tools. The newly appointed Chancellor, Phillip Hammond, announced, in the aftermath of the referendum result and the formation of a

new Conservative cabinet, that the target of achieving a budget surplus in 2020 would be eased in the Autumn Statement on 23 November. This was duly confirmed in the Statement which also included some increases in infrastructure spending.

- 11 The other key factor in forecasts for Bank Rate is **inflation** where the MPC aims for a target for CPI of 2.0%. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of just under 3.0% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, although during November, sterling has recovered some of this fall to end up 15% down against the dollar, and 8% down against the euro (as at the MPC meeting date - 15.12.16). This depreciation will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK), influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.
- 12 What is clear is that **consumer disposable income** will come under pressure, as the latest employers' survey is forecasting median pay rises for the year ahead of only 1.1% at a time when inflation will be rising significantly higher than this. The CPI figure has been on an upward trend in 2016 and reached 1.2% in November. However, prices paid by factories for inputs rose to 13.2% though producer output prices were still lagging behind at 2.3% and core inflation was 1.4%, confirming the likely future upwards path.
- 13 **Gilt yields, and consequently PWLB rates**, have risen sharply since hitting a low point in mid-August. There has also been huge volatility during 2016 as a whole. The year started with 10 year gilt yields at 1.88%, fell to a low point of 0.53% on 12 August, and hit a new peak on the way up again of 1.55% on 15 November. The rebound since August reflects the initial combination of the yield-depressing effect of the MPC's new round of quantitative easing on 4 August, together with expectations of a sharp downturn in expectations for growth and inflation as per the pessimistic Bank of England Inflation Report forecast, followed by a sharp rise in growth expectations since August when subsequent business surveys, and GDP growth in quarter 3 at +0.5% q/q, confounded the pessimism. Inflation expectations also rose sharply as a result of the continuing fall in the value of sterling.
- 14 **Employment** had been growing steadily during 2016, but encountered a first fall in over a year, of 6,000, over the three months to October. The latest employment data in December (for November) was distinctly weak with an increase in unemployment benefits claimants of 2,400 in November and of 13,300 in October. **House prices** have been rising during 2016 at a modest pace but the pace of increase has slowed since the referendum; a downturn in prices could dampen consumer confidence and expenditure.

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- 15 The American economy had a patchy 2015 with sharp swings in the quarterly **growth rate** leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 at +0.8%, (on an annualised basis), and quarter 2 at 1.4% left average growth for the first half at a weak 1.1%. However, quarter 3 at 3.2% signalled a rebound to strong growth. The Federal Reserve ('Fed') embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have caused a delay in the timing of the second increase of 0.25% which came, as expected, in December 2016 to a range of 0.50% to 0.75%. Overall, despite some data setbacks, the US is still, probably, the best positioned of the major world economies to make solid progress towards a combination of strong growth, full employment and rising inflation: this is going to require the central bank to take action to raise rates so as to make progress towards normalisation of monetary policy, albeit at lower central rates than prevailed before the 2008 crisis. The Fed therefore also indicated that it expected three further increases of 0.25% in 2017 to deal with rising inflationary pressures.
- 16 The result of the **presidential election** in November is expected to lead to a strengthening of US growth if Trump's election promise of a major increase in expenditure on infrastructure is implemented. This policy is also likely to strengthen inflation pressures as the economy is already working at near full capacity. In addition, the unemployment rate is at a low point verging on what is normally classified as being full employment. However, the US does have a substantial amount of hidden unemployment in terms of an unusually large, (for a developed economy), percentage of the working population not actively seeking employment.
- 17 Trump's election has had a profound effect on the **bond market and bond yields** rose sharply in the week after his election. Time will tell if this is a reasonable assessment of his election promises to cut taxes at the same time as boosting expenditure. This could lead to a sharp rise in total debt issuance from the current level of around 72% of GDP towards 100% during his term in office. However, although the Republicans now have a monopoly of power for the first time since the 1920s, in having a President and a majority in both Congress and the Senate, there is by no means any certainty that the politicians and advisers he has been appointing to his team, and both houses, will implement the more extreme policies that Trump outlined during his election campaign. Indeed, Trump may even rein back on some of those policies himself.
- 18 In the first week since the US election, there was a major shift in **investor sentiment** away from bonds to equities, especially in the US. However, gilt yields in the UK and bond yields in the EU have also been dragged higher. Some commentators are saying that this rise has been an overreaction to the US election result which could be reversed. Other commentators take the view

that this could well be the start of the long expected eventual unwinding of bond prices propelled upwards to unrealistically high levels, (and conversely bond yields pushed down), by the artificial and temporary power of quantitative easing.

Eurozone (EZ)

- 19 In the Eurozone, the **European Central Bank (ECB)** commenced, in March 2015, its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month. This was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March 2016 meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise significantly from low levels towards the target of 2%. Consequently, at its December meeting it extended its asset purchases programme by continuing purchases at the current monthly pace of €80 billion until the end of March 2017, but then continuing at a pace of €60 billion until the end of December 2017, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim. It also stated that if, in the meantime, the outlook were to become less favourable or if financial conditions became inconsistent with further progress towards a sustained adjustment of the path of inflation, the Governing Council intended to increase the programme in terms of size and/or duration.
- 20 **EZ GDP growth** in the first three quarters of 2016 has been 0.5%, +0.3% and +0.3%, (+1.7% y/y). Forward indications are that economic growth in the EU is likely to continue at moderate levels. This has added to comments from many forecasters that those central banks in countries around the world which are currently struggling to combat low growth, are running out of ammunition to stimulate growth and to boost inflation. Central banks have also been stressing that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand and economic growth in their economies.
- 21 There are also significant specific political and other risks within the EZ: -
- **Greece** continues to cause major stress in the EU due to its tardiness and reluctance in implementing key reforms required by the EU to make the country more efficient and to make significant progress towards the country being able to pay its way - and before the EU is prepared to agree to release further bail out funds.
 - **Spain** has had two inconclusive general elections in 2015 and 2016, both of which failed to produce a workable government with a majority of the

350 seats. At the eleventh hour on 31 October, before it would have become compulsory to call a third general election, the party with the biggest bloc of seats (137), was given a majority confidence vote to form a government. This is potentially a highly unstable situation, particularly given the need to deal with an EU demand for implementation of a package of austerity cuts which will be highly unpopular.

- The under capitalisation of **Italian banks** poses a major risk. Some **German banks** are also undercapitalised, especially Deutsche Bank, which is under threat of major financial penalties from regulatory authorities that will further weaken its capitalisation. What is clear is that national governments are forbidden by EU rules from providing state aid to bail out those banks that are at risk, while, at the same time, those banks are unable realistically to borrow additional capital in financial markets due to their vulnerable financial state. However, they are also ‘too big, and too important to their national economies, to be allowed to fail’.
- **4 December Italian constitutional referendum** on reforming the Senate and reducing its powers; this was also a confidence vote on Prime Minister Renzi who has resigned on losing the referendum. However, there has been remarkably little fall out from this result which probably indicates that the financial markets had already fully priced it in. A rejection of these proposals is likely to inhibit significant progress in the near future to fundamental political and economic reform which is urgently needed to deal with Italy’s core problems, especially low growth and a very high debt to GDP ratio of 135%. These reforms were also intended to give Italy more stable government as no western European country has had such a multiplicity of governments since the Second World War as Italy, due to the equal split of power between the two chambers of the Parliament which are both voted in by the Italian electorate but by using different voting systems. It is currently unclear what the political, and other, repercussions are from this result.
- **Dutch general election 15.3.17**; a far right party is currently polling neck and neck with the incumbent ruling party. In addition, anti-big business and anti-EU activists have already collected two thirds of the 300,000 signatures required to force a referendum to be taken on approving the EU - Canada free trade pact. This could delay the pact until a referendum in 2018 which would require unanimous approval by all EU governments before it can be finalised. In April 2016, Dutch voters rejected by 61.1% an EU - Ukraine cooperation pact under the same referendum law. Dutch activists are concerned by the lack of democracy in the institutions of the EU.
- **French presidential election**; first round 13 April; second round 7 May 2017.
- **French National Assembly election June 2017.**
- **German Federal election August - 22 October 2017.** This could be affected by significant shifts in voter intentions as a result of terrorist

attacks, dealing with a huge influx of immigrants and a rise in anti EU sentiment.

- The core EU, (note, not just the Eurozone currency area), principle of **free movement of people** within the EU is a growing issue leading to major stress and tension between EU states, especially with the Visegrad bloc of former communist states.
- 22 Given the number and type of challenges the EU faces in the next eighteen months, there is an identifiable risk for the EU project to be called into fundamental question. The risk of an electoral revolt against the EU establishment has gained traction after the shock results of the UK referendum and the US Presidential election. But it remains to be seen whether any shift in sentiment will gain sufficient traction to produce any further shocks within the EU.

Asia

- 23 Economic growth in **China** has been slowing down and this, in turn, has been denting economic growth in emerging market countries dependent on exporting raw materials to China. Medium term risks have been increasing in China e.g. a dangerous build up in the level of credit compared to the size of GDP, plus there is a need to address a major over supply of housing and surplus industrial capacity, which both need to be eliminated. This needs to be combined with a rebalancing of the economy from investment expenditure to consumer spending. However, the central bank has a track record of supporting growth through various monetary policy measures, though these further stimulate the growth of credit risks and so increase the existing major imbalances within the economy.
- 24 Economic growth in **Japan** is still patchy, at best, and skirting with deflation, despite successive rounds of huge monetary stimulus and massive fiscal action to promote consumer spending. The government is also making little progress on fundamental reforms of the economy.

Emerging countries

- 25 There have been major concerns around the vulnerability of some emerging countries exposed to the downturn in demand for commodities from China or to competition from the increase in supply of American shale oil and gas reaching world markets. The ending of sanctions on Iran has also brought a further significant increase in oil supplies into the world markets. While these concerns have subsided during 2016, if interest rates in the USA do rise substantially over the next few years, (and this could also be accompanied by a rise in the value

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of the dollar in exchange markets), this could cause significant problems for those emerging countries with large amounts of debt denominated in dollars. The Bank of International Settlements has recently released a report that \$340bn of emerging market corporate debt will fall due for repayment in the final two months of 2016 and in 2017 - a 40% increase on the figure for the last three years.

- 26 Financial markets could also be vulnerable to risks from those emerging countries with major sovereign wealth funds, that are highly exposed to the falls in commodity prices from the levels prevailing before 2015, especially oil, and which, therefore, may have to liquidate substantial amounts of investments in order to cover national budget deficits over the next few years if the price of oil does not return to pre-2015 levels.

Brexit timetable and process

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: two-year negotiation period on the terms of exit. This period can be extended with the agreement of all members i.e. not that likely.
- UK continues as an EU member during this two-year period with access to the single market and tariff free trade between the EU and UK.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK may also exit without any such agreements.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

APPENDIX D - SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS

All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable.

NON-SPECIFIED INVESTMENTS

These are any investments which do not meet the specified investment criteria. A maximum of 50% will be held in aggregate in non-specified investments.

A variety of investment instruments will be used, subject to the credit quality of the institution. Depending on the type of investment made it will fall into one of the above two categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

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	Minimum Credit Criteria (i.e. Colour Band)	Max % of total investments / £ limit per institution	Max. maturity period	Specified (S) / Non-Specified (N)
Debt Management Agency Deposit Facility (DMADF) - UK Government	N/A	100%	6 Months	S
UK Government gilts	UK sovereign rating AA- or better	100%	1 Year	S
UK Government treasury bills	UK sovereign rating AA- or better	100%	6 Months	S
Bonds issued by multilateral development banks	UK sovereign rating AA- or better	100%	6 Months	S
Money market funds	AAA	25% / £5m	Liquid	S
Enhanced money market funds	AAA	25% / £5m	Liquid	S
Local authorities (up to one year)	N/A	25% / £5m	1 Year	S
Local authorities (over one year)	N/A	25% / £5m	2 Years	N
Term deposits with Lloyds Bank Group / RBS Group (up to one year)	Blue	30% / £10m	1 Year	S
Term deposits with Lloyds Bank Group / RBS Group (over one year)	Blue	30% / £10m	2 Years	N
Term deposits with other banks (up to one year)	Green	25% / £6m	1 Year	S
Term deposits with other banks (over one year)	Green	25% / £6m	2 Years	N
Term deposits with building societies	No colour	25% / £4m	100 Days	N
CDs or corporate bonds with banks or building societies	Green	25% / £5m	1 Year	S
Gilt funds	UK sovereign rating AA- or better	25% / £5m	1 Year	S
Property funds	N/A	25% / £2m	Semi-liquid	N

The criteria in this appendix are intended to be the operational criteria in normal times. At times of heightened volatility, risk and concern in the financial markets, this strategy may be amended by temporary operational criteria

further limiting investments to counterparties of a higher creditworthiness and/or restricted time limits.

APPENDIX E - Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher and also have banks operating in the sterling markets which have colour codes of green or above in the Capita Asset Services credit worthiness service.

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar
- U.K.

AA-

- Belgium

APPENDIX F - Treasury management scheme of delegation

Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

Finance Advisory Committee

- reviewing the treasury management policy and procedures and making recommendations to Cabinet.

APPENDIX G - The treasury management role of the section 151 officer

The S151 (responsible) officer is responsible for:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

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Item 11 - Capital Programme & Asset Maintenance 2017/20

The attached report was considered by the Finance Advisory Committee on 31 January 2017. The relevant Minute extract was not available prior to the printing of this agenda.

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CAPITAL PROGRAMME & ASSET MAINTENANCE 2017/20

Cabinet - 9 February 2017

Report of Chief Finance Officer

Status: For Decision

Also considered by: Finance Advisory Committee - 31 January 2017

Key Decision: No

Executive Summary: This report sets out the proposed 2017/20 Capital Programme, with supporting documentation in a standard format for individual scheme bids. Projected capital receipts are included, indicating the proposed financing of the Programme. A proposed overall provision limit for Asset Maintenance is also made.

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

Portfolio Holder Cllr. John Scholey

Contact Officer Helen Martin, Ext 7483

Recommendation to Cabinet:

- a) the Capital Programme 2017/20 and funding method set out in Appendix B be approved, and
- b) the proposed Asset Maintenance budget of £519k be agreed for 2017/18.

Reason for recommendation: To comply with the Councils Procedure Rules and sound financial management principles.

Introduction and Background

- 1 The Council's previous policy in relation to capital expenditure was as follows: "no new schemes to be added to the programme except mandatory improvement grants, information technology and vehicle replacements". As agreed by Council, schemes have been added to help the Council achieve self sufficiency.
- 2 This policy has previously been revised and updated as part of the Best Value review of Asset Management and Capital Investment, including the development of a formal options appraisal process.

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Capital Bids

- 3 Scheme Bid Documents are attached at Appendix A for all on-going items referred to at paragraph 1 above which require additional capital resources. These documents identify any external funding available and indicate the funding source.
- 4 Appendix B summarises the position if all schemes are approved, and indicates the funding methods proposed.
- 5 Unspent schemes in the current year's programme (2016/17) may be carried forward to 2017/18, subject to Cabinet approval, when the outturn is known.

Capital Receipts

- 6 Capital Receipts are a significant funding source for the capital programme. New receipts expected over the programme period are as follows:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Shared Ownership Staircasing	60	30	15	10
Mortgage repayments (net of pooling)	0	0	0	0
Land Sales	4,285	1,460	0	0
	<hr/> 4,345	<hr/> 1,490	<hr/> 15	<hr/> 10

The Land Sales receipts arise from the Property Review process which plans and monitors actions to dispose of surplus sites as part of the asset management plan.

- 7 It must be emphasised that the scale and timing of the land sales is very unpredictable and subject to market conditions and planning risks. For this reason, only 75% of the above figures for 2017/18 onwards have been included in Appendix B.
- 8 Up until 2008/09, the Council used its capital receipts to fund its capital programme. However, due to a combination of reducing assets and a period of recession impacting asset values, the level of reliance on capital receipts could not be sustained. Therefore, Members made the decision to fund the capital programme through the revenue budget. The revenue contribution to capital budgets was £148,000 and the latest 10 year budget proposes this funding level continues.

Asset Maintenance

- 9 Up until 2010/11 asset maintenance was funded from a separate revenue earmarked reserve. One of the principles adopted as part of the Business and Financial Planning Strategy was to make more effective use of remaining earmarked reserves. It was agreed that from 2011/12, allowing for an emergency asset maintenance reserve of £1m, the remainder be used over the ten-year budget period equally to smooth the rundown of these reserves.
- 10 The allocation of budgets to individual areas and schemes is made in accordance with the asset management plan and service requirements, reflecting backlog maintenance, health & safety and income generation as priorities. The table below does not include any changes proposed for the 2017/18 budget within the Growth and Savings schedule (SCIAs).
- 11 The budget figures are based on an average of 30% of the existing 10 year maintenance assessment. This would then give the following programme :

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Budget	507	519	531	542

Key Implications

Financial

All financial implications are covered elsewhere in this report

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues. The Council must agree a Capital Programme as part of its financial plan and ensure that resources are available to fund it.

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. The results of this analysis are set out immediately below.

It is a statutory duty to provide Disabled Facility Grants to the older and or disabled residents in the district.

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Conclusions

Members are asked to review the scheme bids submitted at Appendix A, and approve the programme and funding at Appendix B.

Appendices	Appendix A - Scheme Bid Documents Appendix B - Proposed 2017/20 capital programme
Background Papers	None

Adrian Rowbotham
Chief Finance Officer

Capital Programme 2017/20

Scheme Bid Document - Scheme: Upgrade of Dunbrik Depot Primary Vehicle Wash

Description: Alterations to the eighteen year old primary (main) vehicle wash enclosure to allow the fitment of large vertical wash brushes to improve vehicle cleaning at the depot.

Service : Environmental and Operational Services

Portfolio Holder/Chief Officer : Councillor Matthew Dickins/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Gross scheme cost	30	30	0	0
External Contributions (list)				

Net scheme cost	30	30	0	0
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ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost

	x	x	x	
--	---	---	---	--

Funding Source : From Capital Receipts

Other Resource Implications :	Short-term closure of primary vehicle wash enclosure during construction works. Secondary Jet washes located elsewhere can be used temporarily.
Staffing	Managed by existing employees
Asset Values	Approximately £30,000

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

- 1) To have effective infrastructure to help clean and maintain vehicles essential to providing mainly statutory services.
- 2) Supports the Council's priorities.
- 3) Complete demolition and replacement of main wash facilities is estimated to cost in excess of £100,000.

Capital Programme 2017/20

Scheme Bid Document - Scheme: Vehicle Replacement Programme

Description: Purchase of replacement commercial fleet vehicles that have reached the end of their fully depreciated operational life.

Service : Environmental and Operational Services

Portfolio Holder/Chief Officer : Councillor Matthew Dickins/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Gross scheme cost	1,645	548	548	549
External Contributions (list)				
Net scheme cost	1,645	548	548	549

ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost	x	x	x
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Funding Source : Funding is via the vehicle replacement fund which is financed by depreciation charges for all fleet vehicles and from the sale of any old vehicles. Depreciation charges are made on all vehicles over predetermined periods and met from fixed transport charges to the relevant trading account or relevant service budget.

Other Resource Implications :	
Staffing	Managed by fleet management overhead account by existing employees.
Asset Values	Approximately £3 million

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

To maintain services, mainly statutory. Supports all the Council's priorities

Capital Programme 2017/20

Scheme Bid Document - Scheme: Disabled Facility Grant

Description: Money provided by the Better Care Fund for the provision of both mandatory and discretionary activities to ensure those eligible for assistance remain residing in their own home along with the new requirement to fund initiatives to better integrate housing with social care and Health Services, through preventive and responsive services. DFG allocations are announced usually on an annual basis, so for 17/18 to 2020 the figures provided are the most suitable available at the current time.

Service : Private Sector Housing

Portfolio Holder/Chief Officer : Cllr Lowe/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Gross scheme cost	2,667	889	889	889
External Contributions (list)				
Better Care Fund, via KCC				
£2,667,000				
Net scheme cost	0	0	0	0

ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost

6.5	7.0	7.5
x	x	x

Funding Source : Better Care Fund via KCC

* : Revenue implications dependent on individual projects.

Other Resource Implications :	
Staffing	xxx
Asset Values	xxx

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

xxx

Capital Programme 2017/20

Scheme Bid Document - Scheme: Buckhurst 2 MSCP

Description: Development of a multi storey car park to provide additional town centre parking capacity and residential accomodation

Service : Parking

Portfolio Holder/Chief Officer : Cllr Fleming/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Gross scheme cost	9,850	3,000	6,000	600
External Contributions (list)				
 Net scheme cost	<u>9,850</u>	<u>3,000</u>	<u>6,000</u>	<u>600</u>

ONGOING REVENUE

IMPLICATIONS Refer to report to

Council 22.11.16

(excluding loss of interest)

Running costs

Income streams

Net cost

	x	x	x
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Funding Source : External Borrowing (Refer to report to Council 22.11.16)

* : Revenue implications dependent on individual projects.

Other Resource Implications :	
Staffing	Client project management time
Asset Values	Capital value of car park and sale of residential units

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

Approved by Council on 22.11.16. The proposed development will deliver much needed long stay parking in Sevenoaks town centre, including residential accommodation to partly offset cost of construction of car park

Capital Programme and Asset Maintenance

Capital Programme 2017-20

Chief Officer/Scheme	Funding Source	2016/17		2017/18 £000	2018/19 £000	2019/20 £000	TOTAL SCHEME COST £000
		Budget (i) £000	Forecast £000				
		Communities and Business					
Parish projects	Capital Receipts	61	-	61	-	-	61
Environmental and Operational Services							
Dunbrik Vehicle Workshop	Capital Receipts	117	117	-	-	-	117
Dunbrik Vehicle Workshop Roof	Capital Receipts	20	20	-	-	-	20
Dunbrik Vehicle Wash	Capital Receipts	-	-	30	-	-	30
Commercial vehicle replacements	Vehicle Renewal Res.	514	514	548	548	549	1,645
Disabled Facilities Grants (gross)	BCF (ii)	534	534	889	889	889	2,667
Sennocke Hotel	Fin Plan Reserve & Capital Receipts	1,500	-	1,500	6,000	1,000	8,500
Bradbourne Car Park	Internal Borrowing	5,300	4,500	800	-	-	5,300
Buckhurst 2 MSCP	External Borrowing	4,000	-	3,000	6,000	600	9,850
Finance							
Property Investment Strategy	Prop. Inv. Reserve	10,000	9,955	45	-	-	10,000
TOTAL		22,046	15,640	6,873	13,437	3,038	38,190

NOTE

(i) Includes c/fwds from 15/16

(ii) (KCC responsible for Better Care Fund (BCF))

Funding Sources

Capital Receipts	91	-	-
Financial Plan Reserve & Cap Receipts	1,500	6,000	1,000
Vehicle Renewal Reserve	548	548	549
Property Investment Strategy Reserve ***	45	0	0
Better Care Fund (KCC)	889	889	889
Internal Borrowing	800	-	-
External Borrowing	3,000	6,000	600
	6,873	13,437	3,038

*** Part will be funded from Capital Receipts

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Item 11 - Financial Results - to the end of November 2016

The attached report was considered by the Finance Advisory Committee on 31 January 2017. The relevant Minute extract was not available prior to the printing of this agenda.

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FINANCIAL RESULTS 2016/17 - TO THE END OF DECEMBER 2016

Cabinet - 9 February 2017

Report of Chief Finance Officer

Status: For consideration

Also considered by: Finance Advisory Committee - 31 January 2017

Key Decision: No

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

Portfolio Holder Cllr. John Scholey

Contact Officer 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. The year-end position is currently forecast to be an unfavourable variance of £10,000, subject to Council approval to a supplementary estimate of £210,000 that was recommended by Finance Advisory Committee on 15th November.

Key Issues for the year to date regarding Property Investment Strategy

2. Property Investment Strategy Income - this represents income derived from the acquisitions of commercial property in Sevenoaks and Swanley. The net income from acquisitions to date will be £110,000 less than originally budgeted for 2016/17 due to refurbishment works and a rent free period awarded at the start of a new ten year lease. This will result in additional income over the 10-year budget period. Investigations into further acquisitions are continuing in line with the strategy.
3. Car Park income is currently below budget and forecast to be £66,000 worse than budget for 16/17. Bradbourne Car Park closed in August and this has

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resulted in loss of income; however on street parking has delivered increased income.

4. Business Rates have been paid for two properties in Swanley that we are holding for future development and this has given rise to an unfavourable variance of £47,000.

Other issues for year to date

5. Pay costs - the actual expenditure to date on staff costs, (including agency cover and costs of advertising for professional posts, but excluding those who are externally funded) is £43,000 less than budget. There are variances in individual areas and the larger variances are explained in the Chief Officer commentaries.
6. Income - Land Charges income is £50,000 worse than the challenging income budget, but this is offset by some salary savings. Development Management income is currently £62,000 better than budget reflecting a small number of high fee applications.

Year End Forecast

7. The year end forecast is an unfavourable £10k. Against the original approved budget the year-end position is forecast to be an unfavourable variance of £220,000, however, within that variance are several items where additional revenue expenditure will be incurred in this financial year as a consequence of longer term capital projects that will generate income in later years. Cabinet on 1 December resolved that a supplementary estimate of £210,000 should be approved to cover the short term revenue consequences of the Property Investment Strategy.
8. Corporate salaries will exceed original budget following the appointment of additional IT development staff, but these costs will be met from the Corporate Projects Reserve.
9. Building Control income is currently below profile and employee and agency costs will exceed budget.
10. Parks Rural - costs are likely to exceed budget this year by £60,000 because of the costs of coppicing work at Farningham Woods. These costs will be offset by additional income that will be received in 2017/18.
11. Refuse Collection - Income from sale of recyclate, particularly glass, is expected to be £30,000 worse than budget.
12. The budgeted surplus for the Direct Services Trading account is forecast to be £111,000 better than budget. The budgeted surplus has increased from £82,000 to £92,000 as part of budget adjustments for the Management Review (SCIA 20).

Expenditure for the year is forecast to exceed budget by £64,000, however income is forecast to be £175,000 better than original budget.

13. Planning salaries are forecast to be £90,000 under budget following multiple changes in post, some of which remain unfilled.

Future Issues and Risk areas

14. 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:

- Some property projects will incur revenue expenditure in advance before any expenditure is incurred;
- Additional developers have been employed within IT to achieve key projects; they will be funded from the Corporate Projects Reserve;
- Fluctuations in the price of diesel
- Planning fee income remains uncertain and is being closely monitored;
- There remains the risk that planning decisions will be challenged, either at appeal or through the Courts; the Council has received an indication of significant appeal costs for cases in Swanley and Edenbridge.
- Staff turnover is currently high in Planning and recruiting to vacant posts is increasingly difficult.

15. This Council is entitled to retain 50% of extra income arising from increases in the business rate tax base, however this figure is subject to great volatility as it is affected by the results of outstanding appeals and this area will be closely monitored. An initial forecast of £23,000 additional income has been included at this stage.

16. Planned savings for 2016/17 total £412,000, including savings from the senior management re-structure, from partnership working, and from additional income generation, and these will be risk areas for the current and for future years.

17. The impact on financial markets and externally funded projects following the results of the EU Referendum in June 2016 is being monitored and addressed as part of the Council's risk management process.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

2. Overall Summary

December 2016

2015/16
Actual as Cabinet May '16
£'000
1,556
2,555
4,089
5,057
1,207
14,464
(233)
(63)
(222)
97
14,043
(3,341)
(2,084)
(9,298)
0
(680)
(422)
(259)
(1,361)
1,331
(30)

Communities & Business	1,556
Corporate Services	2,555
Environmental & Operational Services	4,089
Financial Services	5,057
Planning Services	1,207
14,464	
<i>Adjustments to Reconcile to amount to be met from reserves</i>	
Direct Services Trading Account	(233)
Capital Charges outside the General Fund	(63)
Support Services outside the General Fund	(222)
Redundancy Costs	97
NET SERVICE EXPENDITURE	14,043
Revenue Support Grant and New Homes Bonus	(3,341)
Retained Business Rates	(2,084)
Council Tax	(9,298)
Contribution from Collection Fund	0
<u>Summary excluding Investment Income</u>	(680)
Investment Property Income	(422)
Interest Receipts	(259)
OVERALL TOTAL	(1,361)
Planned Appropriation to/(from) Reserves	1,331
Supplementary Estimate Leisure (Approved Council 26/04/2016)	
Supplementary Estimate Christmas Parking (Council 22/11/2016)	
Supplementary Estimate (FAC 15/11/16) subject to Council	
(Surplus)/Deficit	(30)

Y-T-D Actual	Annual Budget	Annual Forecast (including Accruals)	Annual Variance	Annual Variance
£'000	£'000	£'000	£'000	%
1,156	1,359	1,359	0	0.0
2,042	2,750	2,757	7	0.3
3,417	4,271	4,577	306	7.2
3,274	4,314	4,319	6	0.1
961	1,377	1,301	(76)	(5.5)
10,850	14,070	14,313	243	1.7
(261)	(92)	(203)	(111)	(121)
(44)	(60)	(60)	0	0
(129)	(165)	(165)	0	0
11	0	0	0	-
10,427	13,753	13,885	132	1.0
0	0	0	0	-
(1,463)	(1,951)	(1,974)	(23)	1.2
(7,254)	(9,672)	(9,672)	0	0.0
(250)	(333)	(333)	0	0.0
1,460	1,797	1,906	109	6.1
(300)	(500)	(390)	110	(22.0)
187	(250)	(233)	17	(6.8)
1,347	1,047	1,283	236	22.5
(737)	(983)	(983)	0	0
0	(64)	(64)	0	
0	0	(16)	(16)	
0	0	(210)	(210)	-
610	0	10	10	

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