

07 December 2017 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks  
Despatched: 29.11.17


# Cabinet


## Membership:


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


## Agenda

There are no fire drills planned. If the fire alarm is activated, which is a continuous siren with a flashing red light, please leave the building immediately, following the fire exit signs.

	Pages	Contact
Apologies for Absence		
1. <b>Minutes</b> To agree the Minutes of the meeting of the Committee held on 9 November 2017, as a correct record.	(Pages 1 - 6)	
2. <b>Declarations of interest</b> Any interests not already registered.		
3. <b>Questions from Members (maximum 15 minutes)</b>		
4. <b>Matters referred from Council, Audit Committee, Scrutiny Committee or Cabinet Advisory Committees</b>		
5. <b>Sale of Council owned land</b> 	(Pages 7 - 10)	Andrew Stirling Tel: 01732227099
6. <b>Budget Update 2018/19</b>	(Pages 11 - 52)	Adrian Rowbotham Tel: 01732 227153
REPORTS ALSO CONSIDERED BY THE CABINET ADVISORY COMMITTEES		
7. <b>Treasury Management Mid-Year Update 2017/18</b>	(Pages 53 - 64)	Roy Parsons Tel: 01732 227204

- |     |   |                  |   |
|-----|---|------------------|---|
| 8.  | <b>Financial Results 2017/18 - to end of September 2017</b>                       | (Pages 65 - 86)  | Veronica Wilson<br>Tel: 01732 227436                            |
| 9.  | <b>Pre Application Advice Fees</b>  | (Pages 87 - 94)  | Carol Humphrey<br>Tel: 01732227361                              |
|     |  |                  |   |
| 10. | <b>Local Plan - issues and options- consultation update</b>                       | (Pages 95 - 154) | Hannah Gooden,<br>Antony Lancaster<br>Tel: 01732<br>227178/7326 |

 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](mailto:democratic.services@sevenoaks.gov.uk).

CABINET

Minutes of the meeting held on 9 November 2017 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Firth, Hogarth, Piper and Scholey

Cllrs. Hunter, McGarvey and Purves were also present.

38. Minutes

Resolved: That the minutes of the meeting of Cabinet held on 12 October 2017 be approved and signed as a correct record.

39. Declarations of interest

There were no additional declarations of interest.

40. Questions from Members

There were no questions from Members.

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

There were none.

42. Council Tax Reduction Scheme 2018/19

The Head of Revenues and Benefits presented the report which set out a proposed revision to the existing Council Tax Reduction (CTR) scheme, the results of the resident consultation and the Equality Impact Assessment. Members were asked to consider the information detailed and make recommendations for the CTR scheme to be adopted by Council for 2018/19, and implemented with effect from 1 April 2018.

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 outcome of the public consultation, as set out in Appendix A to the report, be considered and noted;
- b) Members have due regard to their responsibilities under the Public Sector Equality Duty and consider the potential impacts of the proposed change on working age claimants with the protected characteristics of disability, age and sex, as set out in the Equality Impact Assessment in Appendix B to the report; and
- c) it is approved that the current CTR scheme is amended as follows and adopted to take effect from 1 April 2018:
  - i) That a self-employed applicant and/or his/her self-employed partner who is in receipt of the Personal Independence Payment (standard or enhanced rate of the daily living component) or Disability Living Allowance (middle or high rate of the care component) or Armed Forces Independence Payments be made exempt from the Minimum Income Floor.

43. Mid year appointments to other organisations

The Chairman advised that since the publication of the papers he had been advised that Cllr. Piper would like to step down from being the appointed representative on the Kent Downs Area of Outstanding Natural Beauty Forum, and to keep continuity of representation took it as an urgent item.

Resolved: That the following appointments be made

- a) Becket Trust Housing Association - vacant;
- b) High Weald Area of Outstanding Natural Beauty - Joint Advisory Committee - Cllr. Dickins; and
- c) Kent Downs Area of Outstanding Natural Beauty Forum - Cllr. Mrs. Hunter.

44. West Kent Homelessness Strategy

The Head of Housing & Health presented the report which sought adoption of the new West Kent Homelessness Strategy that had been developed by the three West Kent Councils and the report sought adoption, by Council, of the Strategy.

The Portfolio Holder for Housing and Health advised that the Housing & Health Advisory Committee had considered and agreed to recommend the report to Cabinet.

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 the West Kent Homelessness Strategy be adopted.

45. Affordable Housing Company

The Portfolio Holder for Legal & Democratic Services presented the report which sought authority to progress the proposal to set up an Affordable Housing Company.

The figures of s.106 monies received since 2011/2012, with details of when and where the money was spent, were tabled.

A Member asked whether it was possible to ensure that s.106 monies were spent quickly when the Affordable Housing Company was set up. The Portfolio Holder for Legal and Democratic Services indicated that setting up the company was subject to a business case, which would include details of when company activities would take place, so it would be premature to say when the s.106 monies would be spent.

She advised that the Legal & Democratic Services Advisory Committee had considered and agreed to recommend the report to Cabinet.

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) it is noted that expert external advice to develop a comprehensive business case to deliver Members ambition for the Council to develop its own affordable housing within the District has been commissioned;
- b) subject to a sound business case being established, the Head of Legal and Democratic Services is authorised to incorporate a standalone Affordable Housing Company first taking detailed advice and assistance from specialist external lawyers on the delivery model and set-up process;
- c) the broad governance and funding arrangements set out in this report are noted;
- d) delegated authority be given to the Portfolio Holders for Finance, Housing & Health and Legal and Democratic Services in consultation with

the Chief Executive, Chief Finance Officer and Head of Legal and Democratic Services to settle the detailed arrangements for the establishment of the company; and

- e) in the event that a sound business case to deliver affordable housing through an affordable housing company cannot be established Officers report back to Members setting out further options to deliver on Members ambition to develop its own affordable housing within the District.

46. Annual Review of Parking Charges for 2018-19

The Portfolio Holder for Direct & Trading Services presented the report which set out the annual review of parking charges for 2018/19. It proposed for consultation a simpler tariff in the Council's car parks and a reduction in the hours during which fees were payable.

A Member asked about this matter being reported in the press and the Portfolio Holder stated that he had been misquoted. The Portfolio Holder was also asked whether the new charging scheme would mean that Civil Enforcement Officers would need to be paid more. He indicated that they would not and was then asked about parking charges in Swanley and whether they had adversely influenced the number of shoppers. He pointed out that the car park referred to in Swanley was not in the Council's ownership. Finally, he was asked whether the Bradbourne Car Park was often only two-thirds full due to the level of charges. He said that this was not the case.

He advised that the Direct & Trading Advisory Committee had considered and agreed to recommend the report to Cabinet.

Public Sector Equality Duty

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

Resolved: That the revised car park management proposals for 2018-19 as set out in the report, be approved for consultation subject to further communication.

47. Christmas Parking 2017

The Portfolio Holder for Direct & Trading Services presented the report which requested consideration of free concessionary parking on selected dates leading up to Christmas 2017.

He advised that the Direct & Trading Advisory Committee had considered and agreed to recommend the report to Cabinet, subject to: Enforcement measures;

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communication and signage being clear; and, further discussions being held with the Town Council and Sevenoaks Town Partnership.

Public Sector Equality Duty

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

Resolved: That

- a) free parking be provided for two weekends leading up to Christmas, on Saturdays and Sundays, 9 & 10 and 16 & 17 December 2017 subject to
  - i) enforcement measures
  - ii) communication and signage being clear
  - iii) further discussions being held with the Town Council and Sevenoaks Town Partnership; and
- b) subject to recommendation (a) above, it be recommended to Council that the cost in terms of lost income for free Christmas parking be funded from a supplementary estimate.

THE MEETING WAS CONCLUDED AT 7.53 PM

CHAIRMAN

IMPLEMENTATION OF DECISIONS

This notice was published on 10 November 2017. The decisions contained in Minutes 43, 46 and 47a take effect immediately. The decisions contained in Minutes 42, 44, 45 and 47b are references to Council.





## SALE OF COUNCIL OWNED LAND

Cabinet - 7 December 2017

Report of Chief Finance Officer

Status For Decision

Key Decision Yes

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**Executive Summary:** The report provides detail on two areas of land that are owned by the Council and proposed to be sold. The report seeks approval to the sale of these two areas of land with agreement of the final terms delegated to the Portfolio Holder for Finance in consultation with the Chief Finance Officer and Head of Economic Development & Property

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**This report supports the Key Aim of:** Providing Value for Money.

**Portfolio Holder** Cllr. John Scholey

**Contact Officer** Adrian Rowbotham, Ext. 7153

Andrew Stirling, Ext. 7099

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### **Recommendation to Cabinet:**

That the areas of land detailed in the report are declared surplus to the Councils requirements and sold and;

That approval for the final terms of sale is delegated to the Portfolio Holder for Finance in consultation with the Chief Finance Officer and Head of Economic Development & Property

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### **Reason for recommendation:**

The areas of land are surplus to requirements and their disposal will generate capital receipts for the Council.

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### **Introduction and Background**

- 1 The Council owns a range of land holdings across the District and some of those adjoin land in other parties' ownership. This creates opportunities for joint disposals to realise capital receipts which would otherwise be unattainable. The proposed sale is an example of that situation.
- 2 Land adjacent to the Woodlands, Swanley

## Agenda Item 5

Swanley Town Council owns a former social club and banqueting facility known as the Woodlands. The building has been badly damaged by fire and it adjoins land owned by the District Council. The Town Council have been seeking to dispose of their site and agreement has been reached with them to include two areas of the District Council's land in the proposed disposal. This will simplify the boundaries of the development site and our retained land and transfer future liabilities for the access road to the new owner. The District Council will retain full rights over the road to enable access to our retained land.

The attached plan at Appendix 1 shows the location of the site to be sold and the District Council's land ownership to be included within the sale.

Agreement is sought to this disposal and that approval of final terms is delegated to the Portfolio Holder for Finance in consultation with the Chief Finance Officer and Head of Economic Development & Property.

### **Key Implications**

#### Financial

The capital receipt for the land at Swanley will be based 'pro rata' on the offer accepted by the Town Council. The marketing and legal costs of the sale of the land at Swanley are being shared between the Town and District Councils.

#### Legal Implications and Risk Assessment Statement

Swanley Town Council's legal advisors - KCC Legal Services - are acting for both parties in this matter. The risk to this disposal is that the joint vendor or purchasers do not proceed with the sale.

#### Equality Assessment

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

### **Conclusions**

This is an example of benefitting through joint disposals with adjacent landowners enabling the Council to secure a capital receipt when it wouldn't otherwise do so.

#### **Appendices**

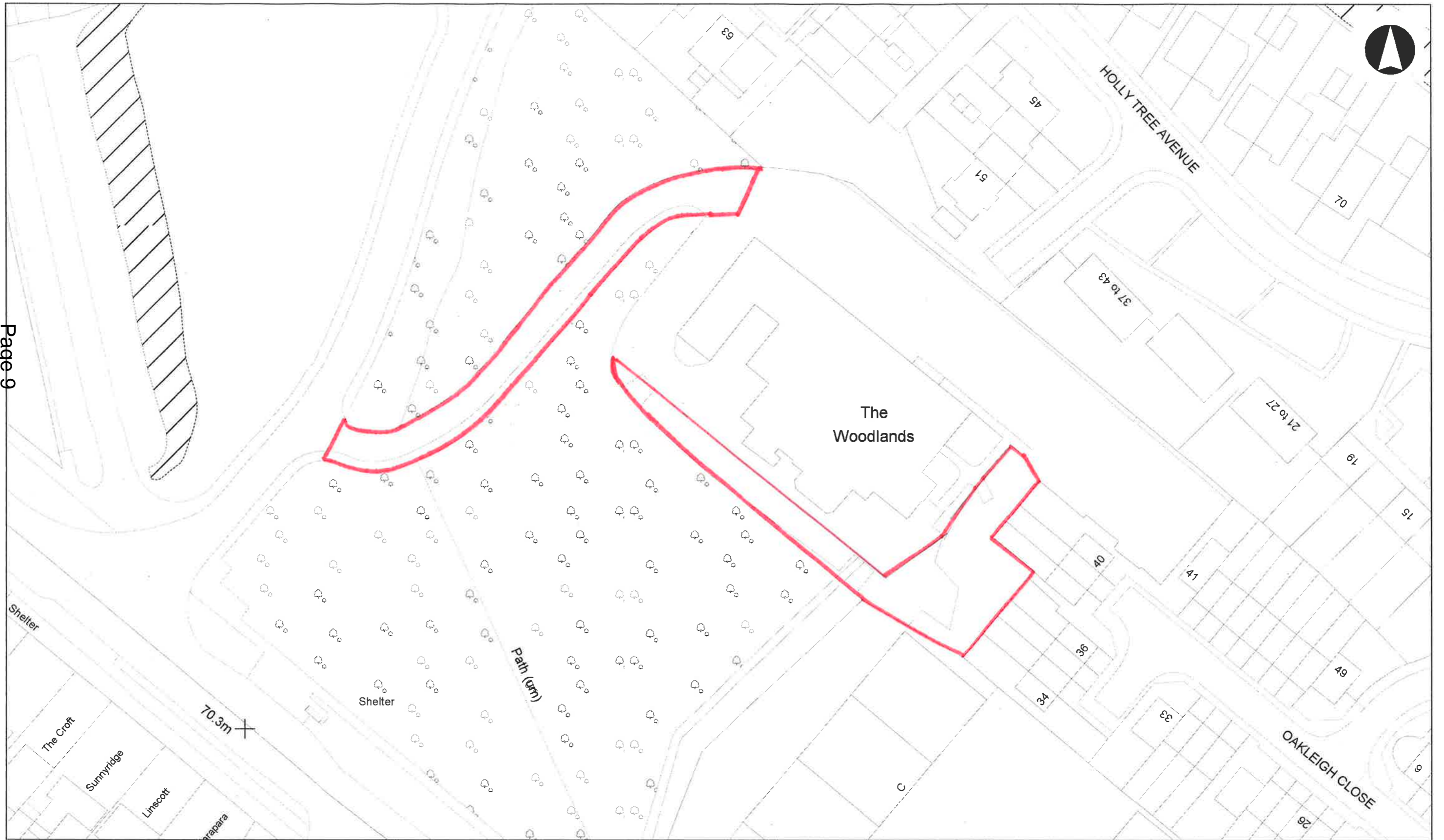
Appendix A - Plan of the land to be sold.

#### **Background Papers**

None

**Adrian Rowbotham**

**Chief Finance Officer**



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100019428.

Land adjacent to the Woodlands, Swanley

Scale: 1:625

Date: September-2017

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**BUDGET UPDATE 2018/19**

**Cabinet - 7 December 2017**

Report of Chief Finance Officer

Status For Decision

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 seven 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 eighth year this method has been used and provides the Council with a stable basis for future years.

This report sets out progress made in preparing the 2018/19 budget and updates Members on key financial information.

There are no changes to the assumptions since the Financial Prospects report on 5 September 2017 however, it is likely that the Council Tax increase referendum limit will be the higher of 2% or £5 for a Band D property. If Members choose the higher £5 level, it would result in a Council Tax increase of 2.44%.

Since the last report the Advisory Committees have been presented with savings proposals. If all of the proposals are accepted by Cabinet, the £100,000 net savings target will have been achieved. However, further information has been received and the Advisory Committees have suggested a number of other growth and savings proposals. These are likely to result in further savings being required to ensure that the Council continues to have a balanced 10-year budget and remain financially self-sufficient.

The Cabinet will make its final recommendation on the budget at its meeting on 6 February 2018, after taking into account any updated information available at that date including the Local Government Finance Settlement.

**Portfolio Holder** Cllr. John Scholey

**Contact Officers** Adrian Rowbotham, Ext. 7153  
Veronica Wilson, Ext 7436

**Recommendation to Cabinet:**

- (a) Consider and respond to comments and recommendations of the Advisory

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Committees regarding the savings proposals listed in Appendix D

- (b) Consider and respond to the further growth and savings suggestions listed in Appendix F.
- (c) Request that officers identify further savings options to be included in the Budget Update report to Cabinet on 11 January 2018.

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

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### Introduction and Background

- 1 The Council's financial strategy over the past thirteen years has worked towards increasing financial sustainability and it has been successful through the use of a number of strategies including:
  - implementing efficiency initiatives;
  - significantly reducing the back office function;
  - improved value for money;
  - maximising external income;
  - the movement of resources away from low priority services; and
  - an emphasis on statutory rather than non-statutory services.
- 2 Over this period the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders. In financial terms, the adoption of this strategy has to date allowed the Council to move away from its reliance on general fund reserves.
- 3 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 Revenue Support Grant provided by Government ceasing from 2017/18 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 and business rate base; and
  - generating more income.

- 5 At the Cabinet meeting on 5 September 2017, Members considered a report setting out the Council's financial prospects for 2018/19 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 2018/19 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 will be considered at this meeting.

### **Financial Self-Sufficiency**

- 7 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.
- 8 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.
- 9 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.
- 10 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Associations Peer Challenge of the District Council during December 2013. In their closing letter to the Council they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'.
- 11 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus. Any funding received from these sources 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 supporting the Property Investment Strategy. One of the aims of the Property Investment Strategy is to achieve returns of 5% when not borrowing or in excess of 3% for schemes that include some external borrowing; therefore using funding for this purpose will result in additional year on year income that is not impacted by Government decisions.

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- 12 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.

### Updates to the Financial Prospects Report

- 13 The following sections provide the latest information on the major income and expenditure streams together with details of the assumptions included in the attached 10-year budget.
- 14 The Government announced its Autumn Budget on 22 November 2017. Initial indications suggest that this will have no impact on the 10-year budget assumptions but officers will continue to monitor this as further details are released and provide any additional information at the meeting. Announcements relevant to local government are summarised in Appendix G.

### Income

- 15 **Government Support: Revenue Support Grant (RSG)** (£nil received in 2017/18) - This formula based grant has significantly reduced over recent years as the emphasis of Government Support has changed, in fact this council received no RSG in 2017/18 and is not expected to receive any in future years. The attached 10-year budget assumes no RSG, if any amounts are received in future years they will be put into the Financial Plan Reserve to support the 10-year budget including 'invest to save' initiatives and support for the Property Investment Strategy.
- 16 In the Local Government Finance settlement 2016/17, the Government stated that it would offer any council that wishes to take it up, a four-year funding settlement to 2019/20. On 15 September 2016, Cabinet agreed to accept this multi-year settlement offer. The figures included in the final Local Government Finance settlement 2017/18 for this council for the grants included are as follows:

Multi-Year Settlement Offer	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Revenue Support Grant	633	0	0	0
Transitional Grant	152	123	0	0
Rural Services Delivery Grant	0	0	0	0
<b>Total</b>	<b>785</b>	<b>123</b>	<b>0</b>	<b>0</b>

- 17 The Local Government Finance Settlement 2017/18 continued to include an indicative 'tariff adjustment' amount of £1.083m in 2019/20. This is in



- effect a negative Revenue Support Grant and is not included in the list of grants mentioned in the multi-year settlement. This is not included in the 10-year budget as it is expected to be part of the adjustments made when Business Rates Retention is fully implemented.
- 18 ***New Homes Bonus (NHB)*** (£1.8m received in 2017/18 but not used to fund the revenue budget) - the Government started this new funding stream in 2011/12 with the intention that local authorities would be rewarded for new homes being built over a six-year period. Last year the Government announced that the basis of NHB has been changed. Previously it was based on cumulative figures for 6 years but this has been reduced to 5 years from 2017/18 and 4 years from 2018/19. In addition, NHB will only be received on tax base growth above 0.4% instead of on all growth.
- 19 In the same way as RSG, the attached 10-year budget assumes no NHB resulting in there being no reliance on this funding source to support the revenue budget. Any amounts received will be put into the Financial Plan Reserve for the same purpose as noted above.
- 20 ***Council Tax*** (£10.0m) - The Government referendum limit has been set at 2% in recent years although it was changed later in the process in both of the last two years to the higher of 2% or £5 (equivalent to 2.50% for SDC in 2017/18). The assumption in the 10-year budget is currently 2% for all years.
- 21 It is likely that the Government will amend the referendum limit for the Council Tax increase for district council's again in 2018/19 to the higher of 2% or £5 for a Band D property.
- 22 The current assumption in the 10-year budget is a 2% increase for all years based on previous referendum limits. If Members choose to increase Council Tax by the higher £5 amount in 2018/19 only, this would result in a 2.44% increase and an additional £44,000 per annum.
- 23 The tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing work to check the validity of Council Tax discounts awarded. The assumption going forward reflects the increases achieved in recent years and the ongoing work. The increased tax base results in additional Council Tax income which is assumed to be greater than the incremental cost of servicing the additional properties.
- 24 ***Locally Retained Business Rates*** (£2.0m) - 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.
- 25 There has been a commitment from central government to introduce 100% Business Rates Retention since before the 2015 General Election. The

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Department for Communities and Local Government (DCLG) invited local authorities to participate in a pilot of 100% Business Rates Retention in 2018/19.

- 26 A Kent-wide pilot bid has been submitted including Sevenoaks, which was agreed by Cabinet on 12 October 2017. If successful, this would result in this council retaining a significant additional amount of Business Rates in 2018/19. It is expected that the successful bids will be announced shortly.
- 27 A Business Rates Retention Pool is currently in operation within Kent. In certain circumstances it is financially beneficial to be a member of a pool but this council is not currently a member of the pool but would wish to be in the future.
- 28 If the Kent Business Rates Retention Pilot bid is not successful it will revert to the current pool arrangements. All Kent authorities agreed that Sevenoaks District Council would receive an additional amount equivalent to the amount if it had been in the Kent Business Rates Pool.
- 29 Due to the large number of business rates appeals being outstanding with the Valuation Office Agency (VOA) and the limited opportunities to increase the number of businesses in the district, the assumption in the 10-year budget remains at the safety net level which is the amount of business rates the council is assured of retaining in the current scheme. This assumption will be reviewed when the successful pilot bids are announced.
- 30 **Interest receipts** (£0.13m) - Returns are continuing to be significantly lower than they were a few years ago due to low interest rates and the Council's Investment Strategy taking a low risk approach. Due to the change of emphasis on to the Property Investment Strategy and the current low interest rates, £130,000 has been assumed for 2017/18 - 18/19 and £250,000 for later years as investment balances will become less predictable. The Finance Advisory Committee will be reviewing the Treasury Management Strategy for 2018/19 at their meeting on 30 January 2018 and recommend whether the level of risk should change.
- 31 **Property Investment Strategy** - The strategy was approved by Council on 22 July 2014 with the intention of building on an approach of property based investment in order to deliver increased revenue income. This was set against a background of reducing Government Support and continued low rates of return through existing treasury management arrangements.
- 32 Five assets have been purchased to date at a cost of nearly £18m and on 25 April 2017, Council agreed to set aside a further £25m for the Property Investment Strategy.
- 33 The current assumption is £500,000 in 2017/18, £735,000 in 2018/19 and £1.185m in 2019/20 which includes income from the hotel.
- 34 A Property Investment Strategy Update report will be presented to Finance Advisory Committee on 30 January 2018 and Cabinet on 6 February 2018.

- 35 **Variable fees and charges** - the Council receives income in fees and charges from a number of sources. This includes (income figures are shown gross):
- Land Charges (£0.2m);
  - Development Management (£0.8m);
  - Building Control (£0.4m);
  - Car parks (£2.3m); and
  - On-street parking (£0.9m)
- 36 The first three are linked to some extent to activity in the housing market and remain variable.
- 37 The assumption is currently for a 2.5% increase for all years.
- 38 **External Funding** - the Council has been very successful in securing external funding across a number of services, based on it delivering a wide range of innovative services to local residents, often in partnership with other agencies. The Council's officers continue to seek new opportunities for funding. As financial constraints are put on public services the funding available from health and other public bodies is expected to reduce.
- 39 **Shared working** - Various services have included savings from shared working in recent years budgets. The Council successfully works in partnership with other authorities in a number of areas including Revenues, Benefits, Counter Fraud, Internal Audit Finance, IT, Licensing, Building Control, CCTV and Environmental Health. Any further proposals that come forward for shared working ideas will continue to be actively pursued if it is in this Council's best interests to do so.
- 40 **Use of reserves** - One of the principles of the Financial Strategy is to make more effective use of the remaining earmarked reserves. When this strategy was first used in 2011/12, it was agreed that the remaining balances in the Asset Maintenance and Superannuation Fund Deficit Reserves would be moved to a new Financial Plan Reserve and used over the initial 10-year budget period. The Budget Stabilisation Reserve was also set up at the same time to manage the fluctuations between years to ensure that an overall balanced budget remained for the 10-year period. This reserve has been increased by surpluses achieved on the revenue budget in recent years. As part of the financial strategy, it is important that reserves continue to be used flexibly.

#### Expenditure

- 41 **Pay** costs total £15m. The national pay award for 2018/19 has not yet been finalised. There have been calls from the local government unions and press coverage regarding increasing public sector pay but no announcements were

## Agenda Item 6

included in the Government's Autumn Budget. It should be noted that a 1% change in pay would have an annual impact of £143,000. The assumption is 1% for 2017/18 to 2019/20 and 2% in later years.

- 42 The Council's new Corporate Plan is likely to be launched in the next financial year. In order to ensure the effective delivery of the Corporate Plan, services are being redesigned so that they are better aligned to customer needs and with a much stronger emphasis on wrapping services around the customer.
- 43 In order to achieve this, a model of customer contact centre that is resourced with a wider skill set in order to deal with more interactions at first point of contact and in parallel more effective processing is being investigated. This will be aligned with work currently being undertaken on recruitment and retention and should be in place for April 2018. It is anticipated that this can be met within approved budgets and therefore a SCIA will not be required.
- 44 **Superannuation fund** - the last pension fund triennial valuation, which was the third by the actuaries Barnett Waddingham, took place in November 2016.
- 45 The funding level has increased from 72% to 77% since the previous valuation in 2013 and the deficit recovery period for the fund has reduced from 20 years to 17 years. The 10-year budget includes the contribution amounts set by the actuaries for 2017/18 to 2019/20 and includes an additional £200,000 from 2020/21 when the next triennial valuation will come in to effect. This amount will continue to be reviewed during the budget process if additional information becomes available.
- 46 **Non-pay costs** - The budget assumes non-pay costs will increase by an average of 2.25% in all years. In practice, items such as rates and energy costs often rise at a higher rate, so other non-pay items have been allowed a much lower inflation increase. Inflation is currently at 3.0% (CPI - October 2017).
- 47 **Welfare reform changes** - Universal Credit commenced within the district in October 2015 but only in a very small way. It will continue to roll out gradually during 2018 at the local Job Centres but full roll out is not expected for several years.
- 48 **Unavoidable service pressures** - One of the lessons to be learnt from previous financial strategies is that there is always a likelihood of unavoidable service pressures and there needs to be a clear strategy for dealing with these. These are identified in the Service Change Impact Assessments (SCIAs) that can be reported to the Advisory Committees between September and November or to Cabinet in later budget reports.
- 49 **Progress on the savings plan** - 2018/19 will be the eighth year of using the 10-year budget. During this period, 143 savings items have been identified totalling £6.9m. The majority of these savings have already been achieved

and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.

- 50 Appendix C sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12. This has allowed the Council to deliver a 10-year balanced budget.
- 51 ***Additional growth and savings*** - The attached 10-year budget (Appendix B) assumes new net savings of £100,000 in each year up to 2026/27.
- 52 Savings proposals were presented to the Advisory Committees between September and November. These proposals are listed in Appendix D and further details supporting each proposal are contained in the Service Change Impact Assessments (SCIAs) in Appendix E.
- 53 The new net savings of £100,000 in this budget setting process are required to deliver net savings of £1m over the 10-year budget period.
- 54 The total of these growth and savings proposals for the 10-year budget period is £1.01m, therefore if they are all approved, the savings target for 2018/19 will be achieved.

#### **Feedback from the Advisory Committees**

- 55 To assist the Advisory Committees in making additional suggestions for growth or savings for Cabinet to consider, Members were given a Service Dashboard and budget details for the services within their terms of reference.
- 56 Each Committee then decided which suggestions would be passed to Cabinet.
- 57 Provided at Appendix F is a list of the growth and savings suggestions from the Advisory Committees.
- 58 Training sessions on the budget process have been provided to Members in previous years to ensure they have an understanding of the process and relevant issues to allow them to play an active part in the budget setting process. This year Members were offered individual refresher training.

#### **Current Budget Position**

- 59 The 10-year budget (Appendix B) currently shows a fully funded 10-year position. If the savings listed in Appendix D are supported, then the £100,000 of new net savings required will have been achieved.

## Agenda Item 6

- 60 The further suggestions made by the Advisory Committees (Appendix F) are largely growth items. Officers are also aware of the following pressures:

<b>Growth</b>	<b>2018/19 Impact £000</b>	<b>10-year Budget Impact £000</b>
Land Charges - income expectation below budget	50	500
IT Developers - savings to fund salaries not expected in 2018/19 only	51	51
Asset Maintenance - increased annual spend to ensure ongoing use of assets (further details to be included in the Capital Programme and Asset Maintenance report to FAC and Cabinet)	50	500
Members Allowance - revised scheme from 2019/20 (£15,000) (approved by Council 21/11/17)	-	135
<b>Net Total</b>	<b>151</b>	<b>1,186</b>

- 61 Service Change Impact Assessments (SCIAs) will be produced for the above items and any items listed in Appendix F that Cabinet wish to support will be included in the Budget Update report to Cabinet on 11 January 2018.
- 62 It is therefore expected that further savings will be required to offset any growth. Officers have commenced looking for further savings and will report back to Cabinet in January.
- 63 The Government is expected to announce the 2018/19 funding settlement in late December. Even though this Council has signed up to the Government's multi-year settlement offer and the Revenue Support Grant and New Homes Bonus are no longer included in the revenue budget, it is still important to analysis any potential impact of the settlement.
- 64 The Cabinet will make its final recommendation on the 2018/19 budget at its meeting on 6 February 2018, after taking account of the latest information available at that date.

### Collection Fund and Tax Base

- 65 The 2018/19 tax base will be agreed at Cabinet on 11 January 2018. At the same time, Members will be presented with an estimate of the Collection Fund balance as at 1 December 2017.

### 2017/18 Outturn

- 66 Supported by the Finance Advisory Committee, tight financial monitoring and control has been in place for a number of years and again for 2017/18. Given the constraints being placed on all budgets, and the savings planned for 2017/18 and future years, it will be essential to continue on this basis.

- 67 The latest 2017/18 monitoring report shows a favourable forecast position of £108,000. The major reason for this is income from the additional spaces at the Bradbourne Car Park which is a one-off benefit for this year as the annual repayments for the internal borrowing for the car park will not commence until 2018/19.

### **Consultation**

- 68 Consultation requirements will be reviewed if any significant changes are proposed during the budget setting process.

### **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.

Current and future challenges together with risks were included in the Service Dashboards presented to the Advisory Committees and each Service Change Impact Assessment (SCIA) includes 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 level of shortfall and the timing of key announcements such as future changes to Business Rates Retention. The risk will be mitigated by continuing to review assumptions and estimates and by updating Members throughout the process.

#### 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.

## Agenda Item 6

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

### Community Impact and Outcomes

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

### **Conclusions**

The changes explained in this report show that this Council aims to remain financially self-sufficient from direct Government funding which will continue to be a major achievement.

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

### **Appendices**

Appendix A - Budget Timetable

Appendix B - 10-year Budget

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

Appendix D - New savings proposals presented to the Advisory Committees

Appendix E - Service Change Impact Assessment forms (SCIAs) for the new growth and savings proposals in Appendix D

Appendix F - Further growth and savings suggestions from the Advisory Committees

Appendix G - Government Autumn Budget Summary

### **Background Papers**

[Report to Cabinet 9 February 2017 - Budget and Council Tax Setting 2017/18](#)

[Report to Cabinet 14 September 2017 - Financial Prospects and Budget Strategy 2018/19 and](#)



Beyond

Report to Economic and Community Development Advisory Committee 3 October 2017, Policy and Performance Advisory Committee 5 October 2017, Housing and Health Advisory Committee 10 October 2017, Legal and Democratic Services Advisory Committee 17 October 2017, Direct and Trading Advisory Committee 2 November 2017, Finance Advisory Committee 14 November 2017, Planning Advisory Committee 23 November 2017-  
Budget 2018/19: Service Dashboards and Service Change Impact Assessments (SCIAs)

**Adrian Rowbotham**

**Chief Finance Officer**

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2018/19 Budget Setting Timetable

	Date	Committee
<b>Stage 1</b>		
Financial Prospects and Budget Strategy 2018/19 and Beyond	5 September	Finance AC
	14 September	Cabinet
↓		
<b>Stage 2</b>		
Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	3 October	Economic & Comm. Dev. AC
	5 October	Policy & Performance AC
	10 October	Housing & Health AC
	17 October	Legal & Dem. Svs AC
	2 November	Direct & Trading AC
	14 November	Finance AC
	23 November	Planning AC
↓		
<b>Stage 3</b>		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	7 December	Cabinet
↓		
<b>Stage 4</b>		
Budget Update (incl. Government Settlement information)	11 January	Cabinet
↓		
<b>Stage 5</b>		
<i>Budget Update and further review of Service Change Impact Assessments (if required)</i>	<i>January - February</i>	<i>Advisory Committees</i>
↓		
<b>Stage 6</b>		
Budget Setting Meeting (Recommendations to Council)	6 February	Cabinet
↓		
<b>Stage 7</b>		
Budget Setting Meeting (incl. Council Tax setting)	20 February	Council

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

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	Budget 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	Plan 2027/28
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>											
Net Service Expenditure c/f	13,689	14,470	14,528	14,654	15,166	15,541	15,910	16,286	16,667	17,052	17,443
Inflation	494	585	412	644	461	469	476	481	486	491	499
Superannuation Fund deficit and staff recruitment & retention	300	0	0	200	0	0	0	0	0	0	0
Net savings (approved in previous years)	(13)	(427)	(186)	(232)	14	0	0	0	(1)	0	1
<i>New growth</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>New savings/Income</i>	<i>0</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>(100)</i>	<i>0</i>
Net Service Expenditure b/f	14,470	14,528	14,654	15,166	15,541	15,910	16,286	16,667	17,052	17,443	17,943
<b>Financing Sources</b>											
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	(10,013)	(10,333)	(10,661)	(10,998)	(11,345)	(11,701)	(12,066)	(12,442)	(12,828)	(13,224)	(13,607)
Locally Retained Business Rates	(1,990)	(2,055)	(2,128)	(2,171)	(2,214)	(2,258)	(2,303)	(2,349)	(2,396)	(2,444)	(2,493)
Collection Fund Surplus	0	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(130)	(130)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Property Investment Strategy Income	(500)	(735)	(1,185)	(1,185)	(1,185)	(1,185)	(1,285)	(1,329)	(1,329)	(1,529)	(1,529)
Contributions to/(from) Reserves	(353)	(353)	(353)	(353)	(353)	(179)	(179)	(635)	148	148	148
<b>Total Financing</b>	<b>(12,986)</b>	<b>(13,606)</b>	<b>(14,577)</b>	<b>(14,957)</b>	<b>(15,347)</b>	<b>(15,573)</b>	<b>(16,083)</b>	<b>(17,005)</b>	<b>(16,655)</b>	<b>(17,299)</b>	<b>(17,731)</b>
Budget Gap (surplus)/deficit	1,484	922	77	209	194	337	203	(338)	397	144	212
Contribution to/(from) Stabilisation Reserve	(1,484)	(922)	(77)	(209)	(194)	(337)	(203)	338	(397)	(144)	(212)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

<b>Assumptions</b>	
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 in 17/18, £735,000 from 18/19, £1.185m from 19/20, £1.285m from 23/24, £1.329m from 24/25, £1.529m from 26/27 onwards. Sennocke Hotel income included from 2019/20.
Pay award:	1% in 17/18 - 19/20, 2% in later years
Other costs:	2.25% in all years
Income:	2.5% in all years

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SCIA Year	No.	Description	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Later Years £000	Total £000
		<b>Direct and Trading Advisory Committee</b>										
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	
		<b>Economic and Community Development Advisory Committee</b>										
		No savings or growth agreed from 2018/19 onwards										
		<b>Finance Advisory Committee</b>										
2011/12	62,63	Staff terms and conditions - savings agreed by Council 18/10/11								(301)	(373)	
2015/16	10	External Audit fee reduction (reversal of temporary saving item)								30		
2017/18	25	Internal Enforcement Agents for Local Tax recovery								(104)		
		<b>Housing and Health Advisory Committee</b>										
		No savings or growth agreed from 2018/19 onwards										
		<b>Legal and Democratic Services Advisory Committee</b>										
		No savings or growth agreed from 2018/19 onwards										
		<b>Planning Advisory Committee</b>										
		No savings or growth agreed from 2018/19 onwards										
		<b>Policy and Performance Advisory Committee</b>										
2017/18	10	Apprenticeship Levy (reversal of temporary growth item)									(45)	
2017/18	11	Swanley contract								(25)		
2017/18	12	Customer Service resource								(25)		
		Minor movements between years								(2)	(1)	
		<b>Total Savings</b>	(2,984)	(841)	(314)	(479)	(533)	(721)	(372)	(427)	(359)	(7,030)
		<b>Total Growth</b>	371	45	50	327	177	309	359	0	(45)	1,593
		<b>Net Savings</b>	(2,613)	(796)	(264)	(152)	(356)	(412)	(13)	(427)	(404)	(5,437)

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## New Growth and Savings Proposals: Presented to the Advisory Committees

SCIA Year	Advisory Committee No.	Description	Year	Ongoing	2018/19 Impact £000	Budget Impact £000
<b>Growth</b>						
	ECDAC	None				
	PPAC	None				
	HHAC	None				
	LDSAC	None				
	DTAC	None				
	FAC	None				
	PAC	None				
<b>Sub Total</b>					<b>0</b>	<b>0</b>

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SCIA Year	Advisory Committee No.	Description	Year	Ongoing	2018/19 Impact £000	10-year Budget Impact £000
<b>Savings</b>						
	ECDAC	None				
2018/19	1	PPAC Remote access software	2018/19	Yes	(2)	(20)
2018/19	2	PPAC Reduction in telephony costs from SIP migration	2018/19	Yes	(12)	(120)
2018/19	3	PPAC Further reduction in Swanley Local Office costs	2019/20	Yes	0	(210)
	HHAC	None				
2018/19	4	LDSAC Electoral Registration - reduced postage costs	2018/19	Yes	(2)	(20)
	DTAC	None				
2018/19	5	FAC Emergency Planning & Property Services - savings from previous restructure	2018/19	Yes	(12)	(120)
2018/19	6	FAC Argyle Road Offices - savings on energy costs	2018/19	Yes	(10)	(100)
2018/19	7	FAC Leisure - asset maintenance fee no longer paid	2018/19	Yes	(17)	(170)
2018/19	8	FAC Scanning - reduction of vacant post	2018/19	Yes	(25)	(250)
	PAC	None				
<b>Sub Total</b>					<b>(80)</b>	<b>(1,010)</b>
<b>Net Savings Total</b>					<b>(80)</b>	<b>(1,010)</b>

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**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 01 (18/19)

<b>Chief Officer:</b>	Jim Carrington-West	<b>Service:</b>	IT Services
<b>Activity</b>	Support - IT	<b>No. of Staff:</b>	17 FTE

Activity Budget Change	Year: 2018/19 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Remote access software	(2)	Ongoing

**Reasons for and explanation of proposed change in service**

A change in the solution supporting remote access to IT Systems by officers has resulted in a reduction in ongoing costs.

**Key Stakeholders Affected**

Officers remotely accessing Council Systems

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

This has a positive impact on reducing service overheads whilst maintaining the required levels of security in terms of Council systems.

**Risk to Service Objectives (High / Medium / Low)**

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	1,027	Code & Description	Actual	Target
Income	(25)			
Net Cost	1,002			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 02 (18/19)

<b>Chief Officer:</b>	Jim Carrington-West	<b>Service:</b>	IT Services
<b>Activity</b>	Support - IT	<b>No. of Staff:</b>	17 FTE

Activity Budget Change	Year: 2018/19 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Telephony provision	(12)	Ongoing

**Reasons for and explanation of proposed change in service**

We have migrated our existing incoming telephony lines from one form of technology (ISDN) to a more modern solution (SIP). This allows greater resilience and integration with existing Council systems and provides a reduction in charges for the organisation.

**Key Stakeholders Affected**

Individuals utilising the Councils telephone system

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

This has a positive impact on reducing service overheads whilst maintaining and improving the infrastructure in place to support telephony requirements.

**Risk to Service Objectives (High / Medium / Low)**

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	1,027	Code & Description	Actual	Target
Income	(25)			
Net Cost	1,002			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 03 (18/19)

<b>Chief Officer:</b>	Jim Carrington-West	<b>Service:</b>	Customer Services
<b>Activity</b>	Local Offices	<b>No. of Staff:</b>	16.5 FTE

Activity Budget Change	Year: 2019/20 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Local office support	(10)	Ongoing from 2019/20
Local office support	(15)	Ongoing from 2020/21

**Reasons for and explanation of proposed change in service**

As more services move online and are available for self-service, coupled with the provision of alternative payment methods for the payment of Council Tax, it is expected that costs related to the current contract can be reviewed and reduced over the period to April 2020.

The remaining service relating to the provision of space for benefits surgeries is to be reviewed and a more cost effective location sought. The cost is due to be £25,000 in 2018/19 and this proposal will remove this cost fully from 2020/21.

**Key Stakeholders Affected**

Residents of the Swanley Area

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

There is likely to be little impact to the residents of Swanley due to the ability to self-serve or deal directly with Customer Services staff at the District Council Offices.

Local residents can pay for their Council Tax at the Swanley Link via the Post Office Counter or any PayPoint outlet. In addition it is anticipated that the weekly Benefits surgery would continue but from a more cost effective location.

**Risk to Service Objectives (High / Medium / Low)**

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	436	Code & Description	Actual	Target
Income	0			
Net Cost	436			

**Equality Impacts**

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



**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 04 (18/19)

<b>Chief Officer:</b>	Jim Carrington-West	<b>Service:</b>	Electoral Services
<b>Activity</b>	Electoral Registration	<b>No. of Staff:</b>	2 FTE

Activity Budget Change	Year: 2018/19 (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Postage costs	(2)	Ongoing

<b>Reasons for and explanation of proposed change in service</b>	Increased provision of email addresses by electors when applying to be on the electoral register has meant that more of the required forms can be sent out electronically, reducing the need for hard copies and creating a resultant decrease in postage costs.
--	--

<b>Key Stakeholders Affected</b>	All people applying to be on the electoral register
----------------------------------	---

<b>Likely impacts and implications of the change in service (include Risk Analysis)</b>	This has a positive impact on reducing service overheads.
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<b>Risk to Service Objectives (High / Medium / Low)</b>	Low
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2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	255	None.		
Income	(2)			
Net Cost	253			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 05 (18/19)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Emergency Planning & Property Services
<b>Activity</b>	Emergency Planning & Property Services	<b>No. of Staff:</b>	19.48 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in Salary costs	(12)	Ongoing

**Reasons for and explanation of proposed change in service**

Following the departure of the Head of Parking and Surveying Services (Band I), a restructure occurred and the post of Emergency Planning and Property Services (Band G) was created.

This post manages Emergency Planning, FM, Asset Maintenance and Private Sector Housing. Building Control now reports to Chief Planning Officer and Parking Services Manager reports directly to Chief Officer, Environmental and Operational Services.

**Key Stakeholders Affected**

None

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

None

**Risk to Service Objectives (High / Medium / Low)**

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	76	Code & Description	Actual	Target
Income	-	None		
Net Cost	76			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 06 (18/19)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Argyle Road Offices
<b>Activity</b>	Support-Centre offices	<b>No. of Staff:</b>	N/A

<b>Activity Budget Change</b>	<b>Year: 2018/19 Growth / (Saving) £000</b>	<b>Later Years Comments (ongoing, one-off, etc.)</b>
Savings on energy costs (gas)	(10)	Ongoing

**Reasons for and explanation of proposed change in service**

Following installation of LED Lighting in Argyle Road offices, savings on electricity costs. Savings achieved in 2016/17 and will be achieved in 2017/18. Further savings on gas costs.

**Key Stakeholders Affected**

None

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

Possible Brexit impacts on exchange rates.

**Risk to Service Objectives (High / Medium / Low)**

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	487	Code & Description	Actual	Target
Income	(54)			
Net Cost	433			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 07 (18/19)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Asset Maintenance
<b>Activity</b>	Support and Salaries	<b>No. of Staff:</b>	N/A

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Asset Maintenance fee to Sencio	(17)	Ongoing

**Reasons for and explanation of proposed change in service**

Fee previously paid to Sencio as part of asset maintenance support. Not paid since 2015/16 but not picked up as a previous saving. Saving materialised in 2016/17 and will again in 2017/18.

**Key Stakeholders Affected**

None - fee stopped in 2015/16

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

None

**Risk to Service Objectives (High / Medium / Low)**

Low

2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	99	None.		
Income	-			
Net Cost	99			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 08 (18/19)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Scanning Team
<b>Activity</b>	Support- General Admin	<b>No. of Staff:</b>	5.33 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction of one scanning post	(25)	Ongoing

**Reasons for and explanation of proposed change in service**

Following a review of the staffing structure in the FM Team (Scanning) a vacant post exists, that it is proposed will not be filled. Vacant in 2017/18 and team coping with workload. Scanning for Revs and Benefits and back scanning workload.

**Key Stakeholders Affected**

Users of scanning team

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

Affects back scanning progress for other teams, particularly planning and Building Control.

**Risk to Service Objectives (High / Medium / Low)**

Low

2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	278	None		
Income	-			
Net Cost	278			

**Equality Impacts**

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

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Further Growth and Savings Suggestions made by the Advisory Committees

Policy and Performance Advisory Committee

<b>Growth</b>
Broadband improvements
Reinstatement of the Big Community Fund or something similar
Investment in skills training (Economic & Community Development Advisory Committee remit)
Improved start up business accessibility, e.g. seed funding (Economic & Community Development Advisory Committee remit)
Improved district event and activity promotion
Encourage development of derelict sites (Economic and Community Development Advisory Committee remit).
<b>Savings</b>
Additional property acquisitions/developments
Investigate further shared services opportunities within this portfolio's terms of reference
External communications (social and online)
Look at ways to reduce corporate management further
Set up a bank (mobile/local)
Become a social landlord for young workers (Housing & Health Advisory Committee's remit)

Housing and Health Advisory Committee

<b>Savings</b>
Reduction in the cost of the leisure contract

Direct and Trading Advisory Committee

<b>Growth</b>
Vehicle Replacement Fund - to increase the fund balance to offset the impact of inflation since its inception in 2000. An annual revenue injection of £47,000 over the next ten years. This will maintain the fund to adequate levels to support ongoing fleet vehicle replacements.

Finance Advisory Committee

<b>Growth</b>
Redevelop housing in obsolete shopping centres
<b>Savings</b>
Explore options regarding moving from Argyle Road to a lower cost site
Explore development potential at Sevenoaks Bus Station
Review Estates Management to increase net income
More incentives for Members to go paperless

Planning Advisory Committee

The above meeting was held after this report was produced. Any growth or savings suggestions made will be presented at Cabinet.

No new growth and savings ideas were proposed at the Economic and Community Development Advisory Committee or Legal and Democratic Services Advisory Committee.

## Government's Autumn Budget - 22 November 2017

1. Announcements relevant to local government within the Autumn Budget 2017 are summarised below (provided by LG Futures on 22 November 2017).

### Government Spending

2. The Chancellor has announced that the government is producing this Budget against the background of preparing for exiting the EU, and, to help ensure a smooth transition, they are setting aside an additional £3 billion for government.
3. The Chancellor also stated that the level of public sector net borrowing is now forecast to be £49.9bn in 2017/18, reduced from £58.3bn in the March Budget. However, the forecast for the last year of the current Spending Round is for borrowing of £34.7bn, compared to £21.4bn in the March Budget, and, by 2021/22, for £30.1bn, compared to £16.8bn. He stated that borrowing is still forecast at over £20bn in the first year of the next Parliament.
4. The Chancellor announced initiatives across a number of themes:
  - Additional measures to boost productivity, including a £1.7 billion new Transforming Cities Fund through the NPIF, launched in 2016 to improve connectivity and support jobs across England's city regions;
  - Measures to increase the numbers of new homes being built and access to homes for the young and first time buyers; and
  - £2.8bn of additional funding for the NHS up to 2019/20, with £0.3bn in 2017/18, £1.6bn in 2018/19 and £0.9bn in 2019/20 and additional capital funding of £3.5bn.
5. The Autumn Budget sets out a number of measures with a direct impact on local government. These are outlined below.

### Business Rates

6. The government has announced a number of changes to business rates. The main changes announced are:
  - From April 2018, CPI will be used to update the multiplier for business rates, rather than RPI, bringing forward the change already announced

from April 2020;

- The business rates revaluation cycle will switch from five years to three years following the next revaluation. This should mean that, following the planned 2022 revaluation, the next revaluation will be in 2025;
  - He confirmed that the application for a further London business rates pilot will go ahead for 2018/19; and it was confirmed in the budget papers that *“In addition to the London pilot announced in the Budget, new pilots for 2018-19 will be announced following the Department for Communities and Local Government’s (DCLG) assessment of recent applications to its scheme”*. This suggests that an announcement will be made shortly, which may mean the provisional settlement. However, given the need to finalise figures prior to this, it might be expected that successful areas will hear in the coming weeks.
  - There will be an extension of one-year to the £1,000 discount to business rates bills for pubs with a rateable value of less than £100,000 to 2018/19.
7. The proposal to move to uprating the business rates multiplier by CPI from April 2018 should see a reduction in the rate of increase from 3.9% (September RPI) to 3.0% (CPI rate). However, this is still significantly higher than the 2017/18 increase of 0.8% and higher than the previous two years’ of 2.0% (which were as a result of a 2% cap).
  8. The cost to the government of this change is reflected in the policy costings at £240m in 2018/19 and £530m in 2019/20. In the Budget papers, it states that *“Local government will be fully compensated for the loss of income as a result of these measures”*. Local authorities should therefore see the NNDR1 and NNDR3 forms determining a S31 grant that will offset the lower increase in revenues, in the same way that the lost revenues from the previous 2% caps are refunded.
  9. This change should therefore be revenue neutral for local authorities for 2018/19 and 2019/20. However, it is likely that it will result in a lower Baseline Need/NNDR Baseline amount in 2020/21, which, if not compensated for, would reduce local authority resources by £0.5bn per annum.

### Council tax

10. The Chancellor announced that, from April 2018, local authorities will be given the power to increase the council tax empty homes premium from 50%

to 100%.

## Regions

11. The Chancellor announced a number of measures relating to the regions, including:
  - The £1.7bn new Transforming Cities Fund, with funding identified up until 2021/22, to support intra-City transport links. This will target projects which drive productivity by improving connectivity, reducing congestion and utilising new mobility services and technology. Half will be allocated via competition for transport projects in cities and the other half will be allocated on a per capita basis to the six combined authorities with elected metro mayors. As a result, allocations will be £74m for Cambridgeshire and Peterborough, £243m for Greater Manchester, £134m for the Liverpool City Region, £80m for the West of England, £250m for the West Midlands and £59m for the Tees Valley.
  - New devolution deals for the North of the Tyne and a second deal for the West Midlands region. This is also accompanied by specific funding arrangements for the Tyne and Wear Metro, Redcar Steelworks, and to expand the economy between Cambridge and Oxford.

## Other measures announced

12. **Housing.** The government announced that it wishes to increase the numbers of new homes being built to 300,000 per annum by the middle of the 2020s. A wide breadth of measures were announced to support this objective and these include:
  - **Housing Investment:** the government will provide £1.1bn for a new Land Assembly Fund; a further £2.7bn to the competitively allocated Housing Infrastructure Fund (HIF) in England and a further £630m through the NPIF to accelerate the building of homes on small, stalled sites, by funding on-site infrastructure and land remediation. The government has also agreed a housing deal with Oxfordshire, which has agreed to bring forward for adoption a joint statutory spatial plan and commit to a target of 100,000 homes in the county by 2031, in return for a package of government support over the next five years.
  - **Housing Revenue Account:** the government had announced that it will lift Housing Revenue Account borrowing caps for councils in areas of high affordability pressure, so they can build more council homes. Local authorities will be invited to bid for increases in their caps from 2019/20,

up to a total of £1bn by the end of 2021/22. The government will monitor how authorities respond to this opportunity, and consider whether any further action is needed.

- Intervention: the government confirmed it has begun the formal process of considering intervention in 15 areas where the local authority has failed to put an up-to-date plan in place and that it will shortly activate powers that will enable it to direct local planning authorities to produce joint statutory plans and undertake an assessment of where they should be used.
- Community Infrastructure Levy: DCLG will launch a consultation with detailed proposals on reforms to the CIL.
- Housing First pilots: the government will invest £28m in three Housing First pilots in Manchester, Liverpool and the West Midlands, to support rough sleepers with the most complex needs to turn their lives around.

13. The government has also announced:

- An extra £42m of Disabled Facilities Grant in 2017/18, taking funding available to £473m;
- An extra £45m for the Pothole Fund in 2017/18;
- A package of measures to support the continued roll out of Universal Credit;
- A national living wage of £7.83 from April 2018.

**Item 7 - Treasury Management Mid-Year Update 2017/18**

The attached report was considered by the Finance Advisory Committee on 14 November 2017. The relevant Minute extract is below.

Finance Advisory Committee (14 November 2017, Minute 19)

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

In response to questions he advised that local authorities tended not to have a credit rating but were generally regarded as secure and it was important to have a good spread of investments. The Chief Finance Officer confirmed that there was flexibility with the budget to adapt to the changing financial climate.

Resolved: That Cabinet be recommended to approve the Treasury Management Mid-Year Update for 2017/18.





**TREASURY MANAGEMENT MID-YEAR UPDATE 2017/18**

**Cabinet - 7 December 2017**

Report of the: Chief Finance Officer

Status: For Consideration

Also considered by: Finance Advisory Committee - 14 November 2017

Key Decision: No

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

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

**Portfolio Holder** Cllr. John Scholey

**Contact Officer** Roy Parsons, Principal Accountant, Ext 7204

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**Recommendation to Finance Advisory Committee:** That Cabinet be asked to approve the Treasury Management Mid-Year Update for 2017/18.

**Recommendation to Cabinet:** It be RESOLVED that the Treasury Management Mid-Year Update for 2017/18 be approved.

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

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**Background**

- 1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual Treasury Management Strategy Statement, which includes the Annual Investment Strategy and Minimum Revenue Provision Policy, for the year ahead, a mid-year review report and an annual report covering activities during the previous year.
- 2 During 2017/18 the minimum reporting requirements are that the Council should receive the following reports:
  - an annual treasury strategy in advance of the year (Council 21/2/2017).

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

### Introduction

- 4 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 5 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 6 Accordingly, treasury management is defined as:
- “The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 7 This mid-year update report, prepared in compliance with CIPFA's Code of Practice on Treasury Management, covers:
- (a) an economic update for the 2017/18 financial year to 30 September 2017;
  - (b) interest rate forecasts;
  - (c) a review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - (d) a review of the Council's investment portfolio for 2017/18; and
  - (e) other recent treasury management developments.

### Economic update

- 8 **UK.** After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at

only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

- 9 The Bank of England's Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September MPC meeting.
- 10 This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.
- 11 At the time of writing this report, the November MPC meeting had not taken place, but its outcome will be known by the time of the Finance Advisory Committee and Cabinet meetings. It looks very likely that the MPC will increase Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to

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improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

- 12 **EU.** Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the European Central Bank (ECB) eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter 2 (2.3% y/y). However, despite providing massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.
- 13 **USA.** Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Federal Reserve (Fed) has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 - 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.
- 14 **China.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.
- 15 **Japan** is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

### Interest rate forecasts

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

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

- 17 Capita Asset Services undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate “over the coming months”. It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.
- 18 The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.
- 19 Downside risks to current forecasts for UK gilt yields and Public Works Loan Board (PWLB) rates currently include:
- 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.
  - Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
  - A resurgence of the Eurozone sovereign debt crisis.
  - Weak capitalisation of some European banks.
  - Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.
- 20 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- The pace and timing of increases in the Fed. Funds Rate causing a fundamental reassessment by investors of the relative risks of holding

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bonds as opposed to equities and leading to a major flight from bonds to equities.

- UK inflation returning to significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

### **Treasury Management Strategy and Annual Investment Strategy update**

- 21 The Treasury Management Strategy Statement (TMSS) and Prudential Indicators for 2017/18 were approved by the Council on 21 February 2017. There are no policy changes to the TMSS thus far and the details in this report merely update the position in the light of updated economic data.

### **Investment portfolio 2017/18**

- 22 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As described above, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.
- 23 The Council held £37.365m of investments as at 30 September 2017 (£29.320m at 31 March 2017) and the investment portfolio yield for the first six months of the year is 0.37% against 7 Day and 3 Month LIBID benchmarks of 0.16% and 0.26% respectively. A full list of investments held as at 30 September 2017 appears in the Appendix.
- 24 The approved limits within the Annual Investment Strategy were not breached during the first six months of 2017/18.
- 25 The Council's budgeted investment return for 2017/18 is £157k and performance for the year to 30 September 2017 is approximately £6k below budget. At this stage, the year-end forecast is expected to be between £10-15k below the budgeted level of £157k.
- 26 The current investment counterparty criteria approved in the Treasury Management Strategy Statement is currently meeting the requirements of the treasury management function. However, there is potential for increasing the number of counterparties which would help spread risk with the added benefit of improving interest returns. Some proposals for inclusion in the 2018/19 Strategy will be brought before the next meeting for consideration.

## Other recent treasury management developments

### Revised CIPFA Codes

- 27 CIPFA is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November 2017.
- 28 A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to Members to give a high level summary of the overall capital strategy and to enable Members to see how the cash resources of the authority have been apportioned between treasury and non treasury investments. Officers are monitoring developments and will report to Members when the new codes have been agreed and issued and on the likely impact on this authority.

### The Markets in Financial Instruments Directive (MiFID II)

- 29 The EU has set a deadline of 3 January 2018 for the introduction of regulations under MiFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. They also affect the relationship between the Council and its advisors and brokers. There will be little effect on this authority apart from us having to fill in forms sent by each institution we deal with and for each type of investment instrument we use, apart from cash deposits with banks and building societies.

## Key Implications

### Financial

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

### Legal Implications and Risk Assessment Statement

- 31 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 32 This annual review report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.

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- 33 Treasury management has two main risks :
- Fluctuations in interest rates can result in a reduction in income from investments; and
  - A counterparty to which the Council has lent money fails to repay the loan at the required time.
- 34 Consideration of risk is integral in our approach to treasury management. However, this particular report has no specific risk implications as it is not proposing any new actions, but merely reporting performance over the last six months.

### Equality Assessment

- 35 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**

- 36 The overall return on the Council's investments up to the end of September 2017 is slightly below budget and is forecast to remain below that level by the end of the financial year.
- 37 The percentage yield on the portfolio is 0.37%, which exceeds the recognised benchmarks.
- 38 The economic situation both globally and within the Eurozone remains volatile, and this will have consequences for the UK economy particularly as the Brexit process moves forward. Treasury management in the current and recent financial years has been conducted against this background and with a cautious investment approach.

**Appendix:** Investment Portfolio at 30 September 2017

**Background Papers:** [Treasury Management Strategy for 2017/18 - Council 21 February 2017](#)

**Adrian Rowbotham**  
**Chief Finance Officer**



**SEVENOAKS DISTRICT COUNCIL**

List of Investments as at:- 30-Sep-17

**Appendix**

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker
	Barclays Bank plc (Business Premium A/C)	A	U.K.		365,000	01-Oct-11			0.05000%	Variable	Direct
	National Westminster Bank plc (Liquidity Select)	BBB+	U.K.	RBS	0	07-Oct-11			0.01000%	Variable	Direct
	National Westminster Bank plc (95 Day Notice)	BBB+	U.K.	RBS	0	24-May-13			0.10000%	Variable	Direct
	Svenska Handelsbanken AB (Deposit A/C)	AA-	Sweden		1,000,000	23-Jul-14			0.15000%	Variable	Direct
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA-	Sweden		2,000,000	01-Sep-16			0.25000%	Variable	Direct
	Standard Life Liquidity Fund (Money Market Fund)	AAA	U.K.		5,000,000	11-May-12				Variable	Direct
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		1,000,000	11-May-12				Variable	Direct
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		3,000,000	13-Oct-16				Variable	Direct
IP1357	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	09-Aug-17	0.45000%	09-Feb-18		95 Day Notice	Direct
IP1358	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	21-Aug-17	0.36000%	21-Feb-18		6 Months	Direct
IP1345	Coventry Building Society	A	U.K.		2,000,000	18-Apr-17	0.44000%	18-Oct-17		6 Months	R P Martin
IP1359	Coventry Building Society	A	U.K.		3,000,000	11-Sep-17	0.35000%	12-Mar-18		6 Months	Tradition
IP1344	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	05-Apr-17	0.55000%	05-Oct-17		6 Months	Direct
IP1348	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	26-Apr-17	0.55000%	26-Oct-17		6 Months	Direct
IP1349	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	03-May-17	0.55000%	03-Nov-17		6 Months	Direct
IP1350	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	04-May-17	0.55000%	06-Nov-17		6 Months	Direct
IP1353	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	30-May-17	0.55000%	30-Nov-17		6 Months	Direct
IP1354	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	04-Jul-17	0.45000%	04-Jan-18		95 Day Notice	Direct
IP1360	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	2,000,000	29-Sep-17	0.36000%	29-Mar-18		6 Months	Direct
IP1352	Nationwide Building Society	A	U.K.		2,000,000	17-May-17	0.37000%	17-Nov-17		6 Months	Tradition
IP1346	North Wales Fire & Rescue Authority		U.K.		2,000,000	28-Apr-17	0.40000%	31-Oct-17		6 Months	R P Martin
IP1351	Santander UK plc	A	U.K.		2,000,000	15-May-17	0.39000%	15-Nov-17		6 Months	Tradition
IP1355	Santander UK plc	A	U.K.		1,000,000	11-Jul-17	0.37000%	11-Jan-18		6 Months	Tradition
IP1356	Santander UK plc	A	U.K.		1,000,000	25-Jul-17	0.36000%	25-Jan-18		6 Months	R P Martin
IP1347	Thurrock Borough Council		U.K.		2,000,000	28-Apr-17	0.40000%	16-Nov-17		6 Months	R P Martin

Total Invested

37,365,000

**Other Loan**

Sevenoaks Leisure Limited					250,000	29-Apr-08	7.00000%	31-Mar-18		10 Years	Direct
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**Item 8 - Financial Results 2017/18 - to the end of September 2017**

The attached report was considered by the Finance Advisory Committee on 14 November 2017. The relevant Minute extract is below.

Finance Advisory Committee (14 November 2017, Minute 21)

The Acting Head of Finance presented a report on the Council's 2017/18 financial results to the end of September 2017, which showed the year end position forecast to be a favourable variance of £103,000; this represented just under 1.0% of net service expenditure.

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

- a) to note the report; and
- b) that the actions of the Finance team and service areas be commended, as the outstanding debt levels had been reduced in line with targets, as at the end of October 2017.



**FINANCIAL RESULTS 2017/18 - TO THE END OF SEPTEMBER 2017**

**Cabinet - 7 December 2017**

Report of Chief Finance Officer

Status: For consideration

Also considered by: Finance Advisory Committee - 14 November 2017

Key Decision: No

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

Portfolio Holder Cllr. John Scholey

Contact Officer Veronica Wilson, Ext. 7436

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**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.

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**Reason for recommendation:** Sound financial governance of the Council.

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**Overall Financial Position**

- 1 The year-end position is currently forecast to be a favourable variance of £103,000 which represents just under 1.0% of our net service expenditure.

**Key Issues for the year to date regarding Property Investment Strategy**

- 2 Property Investment Strategy Income -The net income from acquisitions to date are forecast to be £19,000 greater than originally budgeted for 2017/18, due to additional income from two properties acquired earlier this calendar year, offset by refurbishment works including work to make void areas available for letting, maintenance costs incurred during void periods, and a rent free period awarded at the start of a new ten year lease for part of Suffolk House which will result in additional income over the 10-year budget period. 96 High Street was funded from internal borrowing and the annual repayment of £150,000 is also included in the year end forecast.

## Agenda Item 8

### Other issues for year to date

- 3 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 £197,000 below budget. There are variances in individual areas including Facilities, Operational Services and Planning; the larger variances are explained in the Chief Officer commentaries.
- 4 Income - Income from both Off-Street and On-Street parking is ahead of profile at the end of September. Forecast additional income of £118,000 from the additional spaces at the Bradbourne Car Park is a one-off benefit for this year as the annual repayments for the internal borrowing for the car park will not commence until 2018/19. Income from Development Management and also Building Control is also ahead of profile at the end of September. Income from Land Charges is worse than profile and an adverse outturn is forecast.

### Year End Forecast

- 5 The year end forecast is a favourable variance of £103,000.
- 6 Land Charges are reporting an unfavourable forecast of £48,000 due to income expectations being below a challenging target.
- 7 Savings expected from IT Development are not now expected to be achieved in 2017/18 and an adverse position of £51,000 is forecast.
- 8 Car Park income has given rise to a favourable variance but this is offset by additional expenditure for equipment in relation to the Bradbourne car park reducing the expected year end position to £63,000 favourable.
- 9 Business Rates have been paid for property in Swanley that we are holding for future development and this has given rise to an unfavourable variance of £30,000.
- 10 Savings are expected in relation to support and operating expenses for Argyle Road as a result of staff vacancies and electricity savings following the installation of LED lighting; a favourable variance totalling £55,000 has been forecast.
- 11 Savings on salaries arising from staff turnover are now expected to exceed the vacancy savings budget by £40,000.
- 12 The Council no longer belongs to the West Kent Equalities arrangement, realising a favourable variance of £19,000.

- 13 The Trading account is forecast to deliver an overall surplus of £154,000 which is £40,000 better than the original budget. Expenditure is currently £99,000 below profile, offset by some underperforming areas of income including cesspool emptying and pest control.
- 14 Investment Property - Net additional income of £19,000 is forecast.
- 15 Interest receipts are currently forecasting an adverse variance of £6,000; this is as a result of low interest rates being offered for investments and also as a result of reducing balances following property acquisitions earlier this calendar year.

### Future Issues and Risk areas

- 16 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 of the commencement of capital projects.
  - Additional developers have been employed within IT to achieve key projects; they will be part funded from the Corporate Projects Reserve and part from savings generated elsewhere in the budget but the savings are not likely to be made in this financial year.
  - Further costs are likely for obtaining external HR advice.
  - We are awaiting further guidance from HMRC in relation to a recent ruling which affects the VAT treatment of car park income overpayments, the new ruling deems them to be consideration for parking and liable for VAT.
  - Universal Credit started in the district in October 2015 but has had minimal impact to date.
  - The expected government decision to raise planning application fees from 1 July 2017 has not materialised; latest information suggests the rise may come at the end of the calendar year.
  - Planning Pre-application fees will be revised in line with the Cabinet decision of March 2017, with new charges likely to come into force in January 2018.
  - There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
  - Planning application income is always uncertain and will be monitored closely.
  - Staff turnover is currently high in Planning and recruiting to vacant posts continues to be difficult.
- 17 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

## Agenda Item 8

closely monitored. The budget of £1,990,000 represents the safety net level and the actual receipts can only exceed that figure.

- 18 Planned savings for 2017/18 total £344,000, including savings from partnership working, and from additional income generation, and these will be risk areas for the current and for future years.
  
- 19 The impact on financial markets, externally funded projects and rates of inflation 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.

#### Legal Implications and Risk Assessment Statement.

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

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

#### Equality Assessment

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

#### **Appendices**

Appendix - September Budget Monitoring

#### **Background Papers**

None

**Adrian Rowbotham**  
**Chief Finance Officer**



**Contents**

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

## BUDGET MONITORING - Strategic Commentary - As at 30<sup>th</sup> September 2017

### Overall Financial Position

1. The year-end position is currently forecast to be a favourable variance of £103,000 which represents just under 1.0% of our net service expenditure.

### Key Issues for the year to date regarding Property Investment Strategy

2. Property Investment Strategy Income –The net income from acquisitions to date are forecast to be £19,000 greater than originally budgeted for 2017/18, due to additional income from two properties acquired earlier this calendar year, offset by refurbishment works including work to make void areas available for letting, maintenance costs incurred during void periods, and a rent free period awarded at the start of a new ten year lease for part of Suffolk House which will result in additional income over the 10-year budget period. 96 High Street was funded from internal borrowing and the annual repayment of £150,000 is also included in the year end forecast.

### Other issues for year to date

3. 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 £197,000 below budget. There are variances in individual areas including Facilities, Operational Services and Planning; the larger variances are explained in the Chief Officer commentaries.
4. Income – Income from both Off-Street and On-Street parking is ahead of profile at the end of September. Forecast additional income of £118,000 from the additional spaces at the Bradbourne Car Park is a one-off benefit for this year as the annual repayments for the internal borrowing for the car park will not commence until 2018/19. Income from Development Management and also Building Control is also ahead of profile at the end of September. Income from Land Charges is worse than profile and an adverse outturn is forecast.

### Year End Forecast

5. The year end forecast is a favourable variance of £103,000.
6. Land Charges are reporting an unfavourable forecast of £48,000 due to income expectations being below a challenging target.
7. Savings expected from IT Development are not now expected to be achieved in 2017/18 and an adverse position of £51,000 is forecast.

8. Car Park income has given rise to a favourable variance but this is offset by additional expenditure for equipment in relation to the Bradbourne car park reducing the expected year end position to £63,000 favourable.
9. Business Rates have been paid for property in Swanley that we are holding for future development and this has given rise to an unfavourable variance of £30,000.
10. Savings are expected in relation to support and operating expenses for Argyle Road as a result of staff vacancies and electricity savings following the installation of LED lighting; a favourable variance totalling £55,000 has been forecast.
11. Savings on salaries arising from staff turnover are now expected to exceed the vacancy savings budget by £40,000.
12. The Council no longer belongs to the West Kent Equalities arrangement, realising a favourable variance of £19,000.
13. The Trading account is forecast to deliver an overall surplus of £154,000 which is £40,000 better than the original budget. Expenditure is currently £99,000 below profile, offset by some underperforming areas of income including cesspool emptying and pest control.
14. Investment Property – Net additional income of £19,000 is forecast.
15. Interest receipts are currently forecasting an adverse variance of £6,000; this is as a result of low interest rates being offered for investments and also as a result of reducing balances following property acquisitions earlier this calendar year.

#### **Future Issues and Risk areas**

16. 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 of the commencement of capital projects.
  - Additional developers have been employed within IT to achieve key projects; they will be part funded from the Corporate Projects Reserve and part from savings generated elsewhere in the budget but the savings are not likely to be made in this financial year.
  - Further costs are likely for obtaining external HR advice.
  - We are awaiting further guidance from HMRC in relation to a recent ruling which affects the VAT treatment of car park income overpayments, the new ruling deems them to be consideration for parking and liable for VAT.

- Universal Credit started in the district in October 2015 but has had minimal impact to date.
  - The expected government decision to raise planning application fees from 1 July 2017 has not materialised; latest information suggests the rise may come at the end of the calendar year.
  - Planning Pre-application fees will be revised in line with the Cabinet decision of March 2017, with new charges likely to come into force in January 2018.
  - There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
  - Planning application income is always uncertain and will be monitored closely.
  - Staff turnover is currently high in Planning and recruiting to vacant posts continues to be difficult.
17. 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. The budget of £1,990,000 represents the safety net level and the actual receipts can only exceed that figure.
18. Planned savings for 2017/18 total £344,000, including savings from partnership working, and from additional income generation, and these will be risk areas for the current and for future years.
19. The impact on financial markets, externally funded projects and rates of inflation following the results of the EU Referendum in June 2016 is being monitored and addressed as part of the Council's risk management process.

Contacts:

Adrian Rowbotham	Chief Finance Officer	ext 7153
Veronica Wilson	Acting Head of Finance	ext 7436

## Communities and Business –September 2017 Commentary

Service	Variance to date £000	Forecast annual variance £000	Explanation of variance and action planned (including changes from previous month)
Community Safety	11	10	Spend ahead of profile and adjustment for new starter and vacancy contribution. Salaries overspend will be compensated by salaries underspend elsewhere in the service.
Homeless	(12)	(10)	Underspend relating to vacant posts salaries.
Housing	43		Invoice paid ahead of profiled spend
Housing Energy Retraining Options (HERO)	15		This is to be drawn down from Trailblazer external funding
Tourism	(10)		Tourism subscription to be paid in second half of the financial year.
Ext Funded: Choosing Health WK PCT	(10)		This is external funding received in advance and will be zero at year end.
Ext Funded: Dunton Green Projects - S106	27		Funding for this project is held in an earmarked reserve and transferred in at the year end.
Ext Funded: PCT Initiatives	13		Spending is currently ahead of profiled budget and will be offset by external funding.
Ext Funded: Troubled Families Project	(22)		This is external funding received in advance and will be zero at year end.

Service	Variance to date £000	Forecast annual variance £000	Explanation of variance and action planned (including changes from previous month)
Capital: Property Investment Strategy	198		This is 2 <sup>nd</sup> Floor Suffolk House Refurbishment and the option to purchase 2 properties on Croft Road. This will be funded from the Council approved Property Investment Strategy.

Future Issues/Risk Areas

Whilst the capital sums required for investment in property are covered through the Council approved Property Investment Strategy funding, not all of the costs associated with this, eg feasibility fees, can be capitalised. The ability to offset property related costs to capital is dependant on financial guidelines. These costs will be monitored and capitalised where possible. In the interim, the prudent approach is to treat all of the associated costs as revenue.

**Lesley Bowles**  
**Chief Officer Communities and Business**  
**October 2017**

## Communities and Business –September 2017 Commentary

Service	Variance to date £000	Forecast annual variance £000	Explanation of variance and action planned (including changes from previous month)
Investment Strategy Properties	(46)	(19)	This favourably revised forecast takes into account additional income from Pembroke Road and Sevenoaks High Street properties. It also caters for some voids during the course of the year.

Future Issues/Risk Areas

Lesley Bowles  
Chief Officer Communities and Business  
October 2017

## Corporate Services- September 2017 Commentary

Service	Variance to date £000	Forecast annual variance £000	Explanation of variance and action planned (including changes from previous month)
Asset Maintenance IT	(76)		Spend as per 10 year asset maintenance plan – surplus to IT Asset Maintenance reserve at year end as agreed.
Elections	15		The final accounts have been submitted to the Electoral Claims Unit however the balance for the costs of the Parliamentary General Election in June 2017 has not yet been received.
Register of Electors	(29)		Resource required for electoral registration currently under review. Additional resource likely to be sought in Q4 2017/18.
Land Charges	37	48	Challenging income target unlikely to be met.
Administrative Exp - Human Resources	34		Current overspend due to external advice.
Support - Contact Centre	(18)		Underspend due to staff turnover, vacant posts in the process of being filled.
Salaries	(18)		Underspend due to staff turnover, vacant posts in the process of being filled.

### Future Issues/Risk Areas

Contribution towards IT Development costs due to be met from savings elsewhere. Further costs likely for external HR advice
--

**Jim Carrington-West**  
**Chief Officer – Corporate Services**  
**October 2017**



## Environmental and Operational Services – September 2017 Commentary

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Asset Maintenance Argyle Rd	(33)		Planned maintenance programme being prepared.
Asset Maintenance Hever Road	14		Works recently completed to drainage.
Car Parks	44	(63)	Income £33,000 above profile offset by £54,000 spent on equipment purchased (P&D Machines) for new Bradbourne Car Park. Favourable income forecast reflects additional Income from new Bradbourne spaces. NNDR bill for Sennocke to be refunded.
Car Parking – On Street	(51)		Income currently £86,000 above profile. Areas for expenditure identified to support parking plans.
EH Environmental Protection	15	10	All LAPPC Inspections completed and fees paid. There will be a £10,000 shortfall in income due to number of premises registered.
Estates Mgt Buildings	11	30	Rates have been paid for Meeting Point building in Swanley. Rates will continue to be due until building demolished.
Kent Resource Partnership	(217)		All partner Authorities now billed for their annual contribution to cover all expenditure in the year.
Licensing Partnership Hub - Trading	(39)		Surplus on account mainly due to Manager and other vacancies in Licensing Team. Any surplus at year end shared between Partners or held in reserve for future expenditure requirements. Agreed at Licensing Partnership Board to be held for future requirements.
Parks Rural	29		Coppicing works continue in Farningham Wood. Income to be recovered by sale of timber felled. Works carried out in Shoreham and Andrews Wood.

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Private Sector Housing	16		Works in default carried out to private property. To be recovered through a charge on the property.
Private Sector Housing Maintenance Operatives	13		Expenditure on salaries plus set up costs incurred. Income to be recovered for works carried out.
Support - General Admin	(34)	(40)	Savings on salaries due to vacancies
Support - Direct Services	(12)	(10)	Essential Health and Safety training to be delivered later in the year. Savings on printing and mobile phone costs.
Taxis	(15)	(10)	Income ahead of profile. Savings on salaries due to vacancy. Taxi testing payments outstanding for September.
Salaries: Emergency Planning & Property	(32)		Savings due to vacancies in FM Team. See comment on Support general admin, above.
Salaries: Licensing	(36)		Savings on salaries due to vacancy. Reflected in Licensing regime and taxi budgets.
Salaries: Operational Services	(50)		Savings on salaries due to vacancies. Partly offset by use of agency staff. Reflected in Direct Services Trading Accounts.
Capital: Vehicle Purchases	(83)		Expenditure below profile. Vehicle replacement programme to be delivered in the year.
Capital: Dunbrik Vehicle Workshop	(15)		Retention payment to be made at end of defect liability period. Still defects outstanding. Budget now includes new Capital project for Vehicle Wash upgrade.

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Capital : RHPCG - Energy Conservation	12		Energy grants issued to be financed from external funds.
Capital - DFG	(240)		Increased budget for 2017/18. Expenditure below profile. Any underspend at year end carried forward (externally funded).
Capital - Bradbourne Car Park	(364)		Project completed. Final payment made.
Capital - Buckhurst 2 Multi- Storey Car Park	(744)		Fee costs only up to Planning permission stage. Works due to commence January 2018.
Capital -Sennocke Hotel	(33)		On site, on target.
Direct Services - Overall Trading Accounts	(69)	(40)	Income £24,000 below profile. Expenditure £99,000 below profile. Surplus £193,000 against a profiled surplus of £125,000. Income below target on: cesspool emptying; pest control and construction team. Expenditure over target on green waste service.

#### Future Issues/Risk Areas

VAT on Car Park Overpayments (HMRC ruling) - we are awaiting further guidance from HMRC in relation to a recent Upper Tribunal Judgment which affects the VAT treatment of car park overpayments. The recent ruling amends previous guidance which considered overpayments to be outside the scope of VAT; the new ruling has deemed them to be consideration for parking and therefore liable for VAT.

**Richard Wilson**  
**Chief Officer Environmental & Operational Services**  
**October 2017**

## Finance – September 2017 Commentary

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Corporate Other	(14)	(40)	From the savings the Council is able to derive from vacant posts, it is forecast that the corporate savings target will be exceeded by the year end.
Dartford Partnership Hub (SDC Costs)	(57)		Additional DWP grant funding received, some of which will be utilised to fund one-off IT costs.
Equalities Legislation	(19)	(19)	The Council no longer belongs to the West Kent Equalities arrangement.
Local Tax	24		Court costs income is currently lower than predicted.

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### Future Issues/Risk Areas

Universal Credit started in the district in October 2015 but has had minimal impact to date.

**Adrian Rowbotham**  
**Chief Finance Officer**  
**October 2017**

## Planning – September 2017 Commentary

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Conservation	8	57	This is the result of additional posts that instead of being funded from the local plan reserve as previously forecast, will be offset by a wider salary underspend and over achievement of application fee income.
LDF Expenditure	42		Will be funded from Local Plan reserve .
Planning - Appeals	16	29	This is the result of costs being awarded against the Council for an Appeal at Packhorse Road, Sevenoaks.
Planning - CIL Administration	25		Profiled ahead of receipts, will be as budget EOY.
Planning - Development Management	(81)	(79)	The planning fee income has significantly contributed to this position and several vacant posts. However it should be noted that there are peaks and troughs in the submission of planning fees throughout the year with often a slow down in the submission of applications in the autumn.
Planning - Enforcement	(13)	(15)	This is the result of an underspend on staff. Recruitment to the vacant team leader position has been unsuccessful up to now but we are currently out to advert and hope to fill the vacant posts.
Planning Policy	(35)	6	This mainly relates to an underspend on salaries with smaller elements being for grants and internal printing.
Building Control	(31)		Income is slightly above profile. In part due to increase in fees from 1st April 2017.
Salaries: Planning	(57)	(92)	This is the result of several vacant posts which are in the process of being filled. Once recruited we will be in a better position to revise the current forecast.
Capital: Affordable Housing	48		This will be financed at the end of the financial year from S106 planning obligations receipts.

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Capital: S106	38		Monies collected from development through these legal agreements are paid out to infrastructure providers - primarily KCC
Capital: CIL Parish Councils	187		We continue to collect CIL from relevant development in line with our charging schedule and deliver monies to Parish and Town Councils in accordance with the schedule twice yearly

Agenda Item 8

Future Issues/Risk Areas

The Government's commitment to raise planning application fees from 1 July 2017 has not materialised, nor has there been an indication that this would happen in the Autumn. Latest information suggests the rise may now come at the end of the calendar year. Pre-application fees will be revised in line with the Cabinet decision of March 2017, with new charges are likely to come into force in January 2018. There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts. Application fee income is always uncertain and will be monitored closely. Staff turnover has been high in the past year, and recruiting to vacant planning posts continues to be difficult.

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**Richard Morris**  
**Chief Planning Officer**  
**October 2017**

2016/17
Actual
£'000
1,377
2,660
4,722
4,231
1,374
<b>14,364</b>
(198)
(59)
(171)
13,936
0
(2,343)
(9,672)
(333)
1,588
(425)
(241)
922
(983)
(290)
(350)

**Final 2017**

Communities & Business  
 Corporate Services  
 Environmental & Operational Services  
 Financial Services  
 Planning Services

*Adjustments to Reconcile to amount to be met from reserves*

Direct Services Trading Account  
 Capital Charges outside the General Fund  
 Support Services outside the General Fund

**NET SERVICE EXPENDITURE**

Revenue Support Grant and New Homes Bonus  
 Retained Business Rates  
 Council Tax  
 Contribution from Collection Fund  
Summary excluding Investment Income

Investment Property Income  
 Interest Receipts

**OVERALL TOTAL**

Planned Appropriation to/(from) Reserves

Supplementary Estimates

(Surplus)/Deficit

Y-T-D	Annual	Annual	Annual	Annual
Actual	Budget	Forecast	Variance	Variance
£'000	£'000	(including Accruals) £'000	£'000	%
919	1,480	1,480	0	0.0
1,442	2,829	2,928	99	3.5
2,275	4,584	4,497	(87)	(1.9)
2,466	4,614	4,554	(60)	(1.3)
593	1,309	1,307	(2)	(0.2)
<b>7,695</b>	<b>14,816</b>	<b>14,766</b>	<b>(50)</b>	<b>(0.3)</b>
(193)	(114)	(154)	(40)	(35.1)
(30)	(60)	(60)	0	0.0
(86)	(172)	(172)	0	0.0
<b>7,386</b>	<b>14,470</b>	<b>14,380</b>	<b>(90)</b>	<b>(0.6)</b>
0	0	0	0	-
(995)	(1,990)	(1,990)	0	0.0
(5,007)	(10,013)	(10,013)	0	(0.0)
0	0	0	0	-
<b>1,384</b>	<b>2,467</b>	<b>2,377</b>	<b>(90)</b>	<b>(3.6)</b>
(384)	(500)	(519)	(19)	(3.8)
(70)	(130)	(124)	6	4.6
<b>930</b>	<b>1,837</b>	<b>1,734</b>	<b>(103)</b>	<b>(5.6)</b>
(919)	(1,837)	(1,837)	0	
0	0	0	0	
<b>12</b>	<b>0</b>	<b>(103)</b>	<b>(103)</b>	

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**Item 9 - Pre Application Advice Fees**

The attached report was considered by the Planning Advisory Committee on 23 November 2017. The relevant Minute extract was not available prior to the printing of this agenda and will follow when available.

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## PRE APPLICATION ADVICE FEES

Cabinet - 7 December 2017

Report of	Richard Morris
Status	For consideration
Also considered by	Planning Advisory Committee - 23 November 2017
Key Decision	Yes

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**Executive summary:** This report proposes to increase charges for pre application advice. It is recommended that fees are charged in accordance with the schedule at Appendix A.

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**This report supports the key aim of providing value for money and to support and develop the local economy.**

**Portfolio Holder** Cllr. Robert Piper

**Contact Officer** Carol Humphrey, Ext.7361

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### Recommendation to Planning Advisory Committee:

- (a) To agree the proposed changes to the pre application charges as set out in Appendix A.
- (b) To recommend that Cabinet agree them for implementation from 1 January 2018.

### Recommendation to Cabinet:

To agree the pre application charges for implementation from 1 January 2018.

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**Reason for recommendation:** To implement the resolution of Cabinet at its meeting on 9 February 2017 seeking to recover additional pre application fees. Minute 2017/68 refers.

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### Introduction and background

- 1 We are committed to working with our customers early in the planning application process in order to help them find out whether their proposal is likely to be acceptable, to give advice on information needed and to suggest who to consult including neighbours. Pre application advice is also helpful so

## Agenda Item 9

that our customers know how to make a valid application. To that end we positively encourage pre application advice because it can give the customer greater clarity and reassurance about their proposal. We can also alert them to issues and concerns that might arise from their plans.

- 2 Our charged pre application scheme will provide customers with detailed written advice on categories of proposed development. There will be a template form and guidance available on our website for applicants. This will ensure that we receive all the information that we need in order to give appropriate advice. Currently 60% of pre applications approaches result in planning applications.
- 3 A number of minor extensions to dwellings are permitted development. This means that they do not need planning permission and so would not need to take advantage of our pre application service.
- 4 We have, along with many other local planning authorities, sought to formalise our service, setting timetables for responses but also establishing appropriate charging regimes. Charges can only recover our costs for the provision of a pre application advice service.
- 5 We initially introduced charges in 2008 and last reviewed them in 2012 (Cabinet minute: 2012/94). Since that time we have not increased the charges.
- 6 Appendix A sets out the new charges proposed for implementation from 1 January 2018. It is intended that these charges would remain in place until March 2019.

### **Benchmarking**

- 7 We have set out in Appendix B a benchmarking exercise carried out to assess whether our proposed charges are comparable with nearby councils. Whilst it is not always easy to compare, as different authorities have diverse regimes, the figures show that we are not out of step with these councils.

### **Other options considered and/or rejected**

- 8 Cabinet considered the budget for 2017-18 in December 2016. At that time officers proposed an increase in charges for pre application advice to secure additional income of £20,000. Cabinet agreed this but also sought consideration of a further increase. (minute 2016/52 refers)  
  
(c) An increase in the savings proposed by the saving item at SCIA 4 relating to charges for pre application advice be sought
- 9 A further report was submitted to Cabinet in January 2017. The minutes (minute 2017/60) show that Cabinet agreed an additional £5,000 bringing the total additional income from pre application charges for 2017-18 to £25,000.

- 10 The issue of ‘the do nothing option’ and leaving our pre application charges unchanged was, following these two Cabinet discussions, in effect rejected by Cabinet when setting the overall Council budget in February 2017.

### **Key implications**

#### Financial

The expectation of Cabinet is that the service recovers an extra £25,000 a year in income from the revision of the pre application charges regime. Last year we achieved £76,920. It is acknowledged that the increase in charges may result in a slight downward trend, but with improved delivery and publicity through our website, we expect to see a sustained take up of this discretionary service.

Due to restrictions relating to the timing of committees there will only be three months of this financial year to recover the additional requirement. Officers expect that £25,000 will not be achieved in the current financial year.

#### Legal implications and Risk Assessment Statement.

The provision of pre application advice is a discretionary service. Under the Local Government Act 2003 we are able to recover our reasonable costs in providing this service. The proposed charges have been set to ensure that we are operating within the terms of the 2003 Act. This ensures that we recover the cost of the service directly from the user rather than as a general cost to all our Council tax payers.

It is acknowledged that the increase in charges may result in a slight downward take up of the service. Their implementation in month ten of this financial year, is likely to mean that we will not reach our projected budget for 2017-18. We have therefore increased them to reflect this, but also to set an appropriate level until the next proposed pre application review for implementation in April 2019.

#### Equality assessment

The proposed service is a universal one and available for all users of our planning service. We do not expect that individuals will be discriminated against.

### **Conclusions**

It is beneficial to both customers and the service that pre application advice is provided and that we recover our reasonable costs.

### **Appendices**

Appendix A - Existing and proposed charges

Appendix B - Benchmarking exercise - pre application charges made by neighbouring and other councils.

## Agenda Item 9

**Background Papers**

[Cabinet agenda and minutes - 9 February 2017](#)

**Richard Morris**

**Chief Planning Officer**

Appendix A - Our existing and proposed charges for 2017-18<sup>1</sup>

			2016-17	2017-18 proposed (inclusive of VAT)
1	Written	Householder applications - first letter	£0	£96
		Householders applications - second letter	no set fee	£96
2	Meeting	Householders	£50 + VAT	£120
3	Written	Other eg. advertisements, certificate of existing lawful use or variation of condition	£75 + VAT	£180
Page 4 93 4	Written	Minor eg. 1-9 new dwellings, commercial floor space less than 999m <sup>2</sup> , barn conversions or stables	£150 + VAT	£360
5	Meeting plus written advice	Minor eg. 1-9 new dwellings, commercial floor space less than 999m <sup>2</sup> , barn conversions or stables	£250 + VAT	£450
6	Meeting plus written advice	Major eg. 10-49 new dwellings, commercial floor space between 1000 - 4999m <sup>2</sup> (or sites covering more than 1ha)	Negotiable + £375 per hour for meetings	Negotiable + min £480 per hour for meetings
7	Meeting plus written advice	Large Major eg. 50 plus new homes, commercial floor space - 5000m <sup>2</sup> +	no set fee	Negotiable + min £550 per hour for meetings

<sup>1</sup> To include all pre application approaches for works to listed buildings

Appendix B - Benchmarking exercise - pre application charges made by nearby councils 2017<sup>2</sup>.

	Type of response <sup>3</sup>	Pre application categories	Sevenoaks 2016/17	Sevenoaks proposed	Tandridge	Dartford	Gravesham <sup>4</sup>	TMBC	TWBC	Bromley	Wealden
1	Written advice	Householder applications - first letter	£0	£96	£100	£96	£55	£78	£75	£195	£56
		Householders applications - second letter	no set fee	£96	£100	£96	£55		£75	£195	
2	Meeting plus written advice	Householders	£50 + VAT	£120	£256 - £440	£210	N/A	£144	£100	£195	£70
3	Written advice	Other eg. advertisements, certificate of existing lawful use or variation of condition	£75 + VAT	£180	£256 - £540	£300	£165	£120 - £300	£75	£195	£230
4	Written advice	Minor eg. 1-9 new dwellings, commercial floor space less than 999m <sup>2</sup> , barn conversions or stables	£150 + VAT	£360	£256 - £540	£120	£385	£120 - £300	£150	£977	£184 - £340
	Meeting plus written advice	Minor eg. 1-9 new dwellings, commercial floor space less than 999m <sup>2</sup> , barn conversions or stables	£250 + VAT	£450	£470 - £840	£600 - £900	£385	£120 - £300	£200	£977	£230 - £425
6	Meeting plus written advice	Major eg. 10-49 new dwellings, commercial floor space between 1000 - 4999m <sup>2</sup> (or sites covering more than 1ha)	Negotiable + £375 per hour for meetings	Negotiable + min £480 per hour for meetings	£800 - £1340	£1,800 - £2,700	£1,155	£480 - £660	£450 per hour	£1,903	£440 - £1600
7	Meeting plus written advice	Large Major eg. 50 plus new homes, commercial floor space - 500 0m <sup>2</sup> +	no set fee	Negotiable + min £550 per hour for meetings	£5000, includes site visit and 3 meetings	£2400 - £3200	no info	£1,080	£900 per hour	£4,347	£1300 - £2700

<sup>2</sup> Charges below are inclusive of VAT except for our 2016-17 charges

<sup>3</sup> We will provide detailed written responses to proposals submitted under the pre application scheme. There may be occasions where we will include officers from other services both from within the council and experts from Kent County Council.

<sup>4</sup> Written advice only



**Item 10 - Local Plan - issues and options- consultation update**

The attached report was considered by the Planning Advisory Committee on 23 November 2017. The relevant Minute extract was not available prior to the printing of this agenda and will follow when available.

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**LOCAL PLAN - ISSUES AND OPTIONS - CONSULTATION UPDATE**

**Cabinet - 7 December 2017**

Report of	Chief Planning Officer
Status	For information
Also considered by	Planning Advisory Committee - 23 November 2017
Key Decision	No

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**This report supports the Key Aim of Protecting the Green Belt.**

<b>Portfolio Holder</b>	Cllr. Robert Piper
<b>Contact Officers</b>	Antony Lancaster, Ext. 7326 Hannah Gooden, Ext. 7178

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**Recommendation:** To note the findings of the recent Local Plan Issues and Options consultation, which will inform the production of the draft Local Plan.

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**Reason for recommendation:** To enable progression of the new Local Plan

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**Executive Summary**

- 1 The Local Plan Issues and Options consultation is the largest consultation that the Council has ever undertaken and we have received over 15,000 responses to the household survey, which represents a 30% response rate. Numerous events and workshops have been held over the nine-week consultation period, to fully engage members of the public and local stakeholders. This level of engagement is very encouraging and will allow a Plan to be drafted that reflects the views and aspirations of the local community.

**Background**

- 2 The Issues and Options Local Plan consultation ran for nine weeks from 3 August - 5 October 2017. The period was extended (from the statutory 6 weeks) due to the summer holidays falling within the consultation period.
- 3 A number of engagement events were held with local stakeholders and members of the public, including:
  - Agents and Landowners Forum

## Agenda Item 10

- Duty to Co-operate sessions
  - Place-making workshops with town/parish councils and local members (6 events across the District)
  - Public “drop-in” sessions in Sevenoaks / Swanley/ Edenbridge / Westerham / New Ash Green
  - Secondary school consultation sessions
  - Family fun days
  - Rail station leafleting
  - Social Media presence
- 4 A special edition of ‘In Shape’, dedicated to the Local Plan consultation was sent to all addresses in the District in August, providing a summary of the Issues and Options Document, full details of the public engagement opportunities and encouraging responses. A survey was then sent to all households in the District, and a reminder was sent approximately three weeks later to those who had not yet responded.
- 5 The survey was sent to approximately 50,000 households and we had hoped for a 15-20% response rate (i.e. 10,000 responses). In fact, we have now received over 15,000 responses which represents a 30% response rate. We have employed market research consultants (Lake) to help us process and analyse this large volume of predominantly quantitative data. All but one of the household survey questions had a sliding scale response (i.e. strongly agree to strongly disagree), with the final question allowing free text. The results of the survey are summarised below.
- 6 In addition to the household survey, we asked a number of technical questions, predominantly aimed at local stakeholders, neighbouring authorities and agents/developers. We have received approximately 200 responses covering both technical and site specific issues which are summarised below.

### Consultation Events

- 7 This section provides a brief summary of the various consultation events that took place during the consultation period.

#### **Agents Forum:**

- 8 About 70 developers and agents attended the Forum that was held at the Stag Plaza on the 17th August. The Issues and Options document was introduced to those who attended by outlining some context about the District’s landscape and demographic. The presentation highlighted the headline needs we are addressing in the plan, before explaining our preferred ‘combined’ development strategy. Those who attended were split

up into smaller groups to discuss a couple of technical questions, as well as some more general questions on existing policies used in SDC. These were then fed back to everyone and key themes began to arise across the different groups. These themes included; possible further investigation into weakly performing Green Belt and greenfield sites on the edge of existing settlements, more clarification on what constitutes exceptional circumstances, continuing and extending our pro-active approach in identifying Brownfield Land, have a deeper focus on farming and the rural economy and address the ‘clunky-ness’ of our online proposals map.

**Duty-to-cooperate Forum:**

- 9 Two duty-to-cooperate workshops took place, one with neighbouring authorities on the 23rd August and the other with statutory consultees on the 24th August. Both followed a similar format to that of the agent’s forum. However, the key themes that arose were quite different. There was much discussion on expanding our evidence base to address air quality and light pollution within the district, with additional work needed on biodiversity. It was highlighted that more detail needs to be provided about the design required for future development, to make it more aesthetically pleasing as well as improving health living. There was recognition of new infrastructure being needed across the district, including for health and education, in order to release pressure on existing services. New/improved infrastructure should be identified and delivered, preferably alongside, or ahead of, site allocations. The top transport concerns included the cumulative impact of future development on our local highways and all M25 junctions in the district, as well as the limiting capacity on the direct London rail routes.

**Place-making Workshops:**

- 10 The Place-making Workshops took place in the week commencing the 4th September and covered our six place-making areas. Town and parish councils and local ward members were invited representatives attended from the areas highlighted in bold:

The Upper Darent Corridor consists of **Westerham, Brasted, Sundridge and Chevening.**

The Darent Valley comprises of **Farningham, Eynsford, Shoreham, Otford and Kemsing.**

The North East covers **Horton Kirby and South Darenth, Fawkham, West Kingsdown, Hartley and Ash-cum-Ridley,**

The Sevenoaks Urban Area and Surrounds covers **Dunton Green, Riverhead, Sevenoaks, Sevenoaks Weald and Seal.**

The South consists of **Edenbridge, Hever, Chiddingstone, Leigh, Cowden and Penshurst.**

## Agenda Item 10

The North West comprises of **Hextable, Swanley, Crockenhill, Badgers Mount**, Halsted and Knockholt.

These workshops followed a similar structure to both the Agent's and Duty-to-Cooperate forums with an introductory presentation into our Issues and Options document, followed by a discussion around the relevant section of the document for each place-making area.

- 11 Different key themes arose across the different place-making areas. The Upper Darent Corridor voiced concerns over the Westerham relief road proposals and the weight given to community objections. The Darent Valley expressed a need for smaller units in their existing settlements but voiced concern of traffic management and the need for new infrastructure. The North East saw discussion around affordable housing and the need to improve public transport, with support for our preferred strategy. The Sevenoaks Urban Area and Surrounds highlighted their apprehension in new development coming forward without the necessary infrastructure. The South discussed building appropriately sized homes for the need within the different areas and maximising supply of smaller units in villages that have been washed over by the Green Belt. The North West expressed reconsideration of the place-making areas and concerns surrounding development of more housing with local infrastructure already strained.

### **Public drop-in sessions:**

- 12 Public drop-in sessions were held in week beginning 11<sup>th</sup> September in Sevenoaks, Swanley, Edenbridge, Westerham and New Ash Green. These sessions were well-attended and provided the opportunity for members of the public to read through our consultation boards, ask us questions about the consultation, collect additional copies of the survey and supporting information and engage with us in the Local Plan process. It also enabled us to encourage responses via the household survey.

### **Hard to reach groups**

- 13 It was recognised that there are certain groups that often fail to fully engage in our Local Plan consultations, including young people, young families and commuters. Therefore, we organised consultation workshops within several secondary schools (Knole Academy, Orchards Academy and Sevenoaks School) where over 200 surveys were completed, we attended several SDC family fun days in August, where parents completed the surveys and handed out leaflets at railway stations to encourage commuters to respond. We also had an active social media presence, with Facebook posts and regular SDC tweets encouraging engagement in the consultation.

### **Household Survey Results**

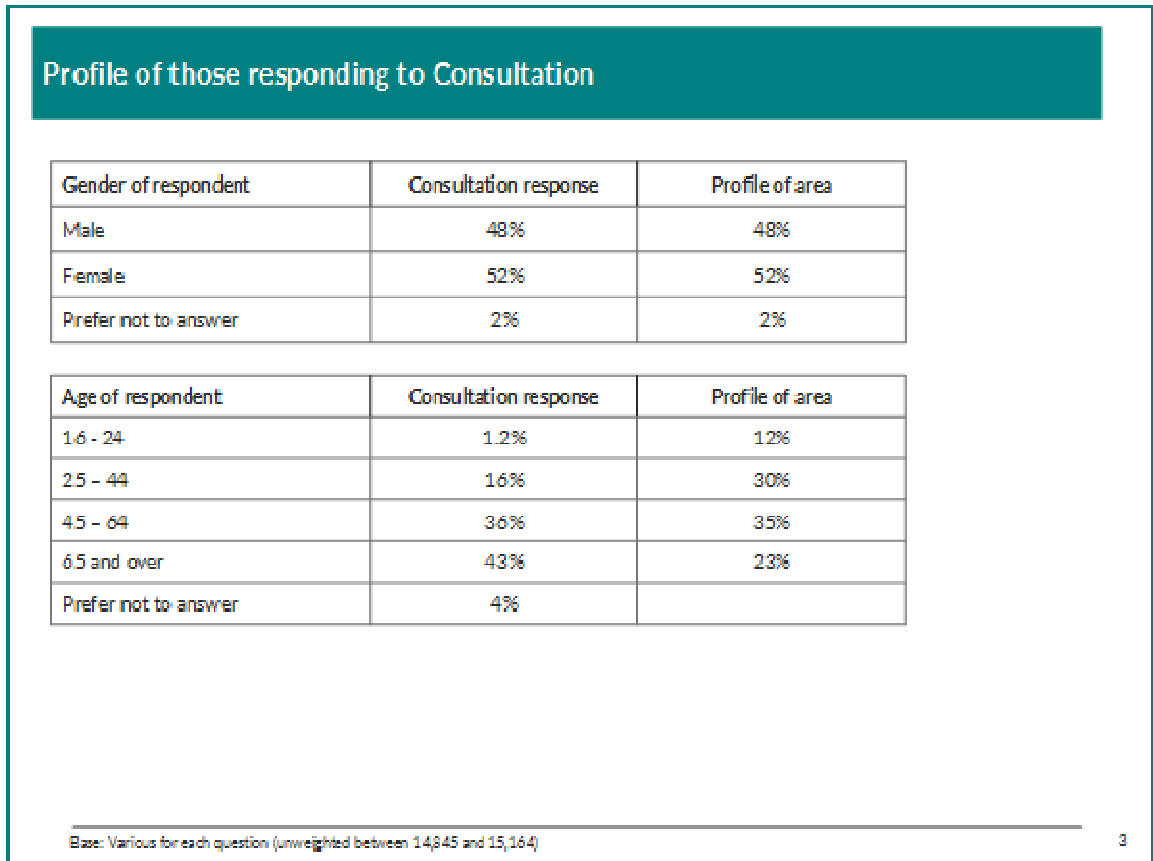
- 14 In order to ensure that all residents had an equal opportunity to give their view, all households within the Sevenoaks district (50,774 households) were invited to participate in the consultation.

- 15 In total, 15,375 people responded to the main Consultation, either via a postal questionnaire or online survey completion. The main Consultation comprised of 14,319 paper questionnaire completions and 1,056 online survey completions. We would like to thank all those who took the time to complete the Consultation and give their views.
- 16 The Consultee profile below shows the breakdown of those responding to the Consultation:

Profile of those responding to Consultation	
<b>Gender of respondent</b>	
Male	48%
Female	52%
Prefer not to answer	2%
<b>Age of respondent</b>	
Under 16	0.1%
16 - 17	0.1%
18 - 24	1%
25 - 34	5%
35 - 44	10%
45 - 54	16%
55 - 64	20%
65 and over	43%
Prefer not to answer	4%
<b>Disabled as set out in Equality Act 2010</b>	
Yes	12%
No	82%
Prefer not to answer	6%
<b>Working status of respondent</b>	
Employee in full time job	26%
Employee in part time job	9%
Self employed full or part time	10%
On a government supported training programme	0.06%
In full time education at school, college or university	0.3%
Unemployed and available for work	1%
Permanently sick / disabled	2%
Wholly retired from work	41%
Looking after the home	5%
Something else	2%
Prefer not to answer	4%
<b>Children aged 17 or under living in household</b>	
None	76%
One	8%
Two	9%
Three	2%
More than three	0.4%
Prefer not to answer	3%

Base: Various for each question (unweighted between 14,604 and 15,164)

- 17 The following table shows the percentages of those responding to the Consultation compared to the District population breakdown according to 2014 population estimates (Mid 2014 Population Estimated for England and Wales, Source: Office for National Statistics). This comparison indicates that younger age groups were under-represented in the consultation, the middle-age group (45-65) was proportionately represented and older age groups were over-represented. This is in line with previous Local Plan consultations that we have undertaken.



- 18 The sample was particularly robust due to the number of responses received. Lake Market Research (who have assisted the Council in processing and analysing the results) have stated that the results are accurate to a confidence interval of +/- 0.7% at the 95% confidence interval. This gives a high level of confidence in the results of the survey.
- 19 The headline summary pie charts of the responses to the 12 household survey questions are attached at Appendix 1. All results are based on unweighted data from consultees completing the questionnaire.
- 20 The district-wide results are based on a five point rating scale from 'Strongly Agree' to 'Strongly Disagree' as well as a 'No opinion' option. Consultees who selected 'No opinion' or chose not to provide an answer have been excluded from the chart calculations pertaining to the percentages used to generate the charts. Therefore, each question has a different base size. Responses from the secondary school age mini Consultation (approximately 200 responses) are not included in the main Consultation results charts.
- 21 In terms of key results, Objective One (Promoting Housing Choice for all), set out that we can continue to protect the Green Belt by building homes in our existing built up areas or on previously developed land. The trade off is new developments will have to be built at slightly higher densities. Green Belt land will only be considered if it re-uses previously developed land or very rarely in 'exceptional circumstances'.



- 22 There is strong support (92% agree/strongly agree) for protecting the Green Belt by using previously developed land (Q1) and support (56% agree/strongly agree) for protecting the Green Belt by building at slightly higher densities (Q2).

Question	Support/Strongly Support	Oppose/Strongly Oppose
Q1 - Brownfield	92%	5%
Q2 - Higher Density	56%	30%
Q3a - Draft Northern Sevenoaks Masterplan (whole District response)	66%	13%
Q3b - Which Way Westerham (whole District response)	54%	19%
Q4 - affordable housing	84%	9%
Q5a - connections	95%	4%
Q5b - green infrastructure	96%	3%
Q5c - new technology	86%	12%
Q6 - efficient use of employment land	92%	3%
Q7 - vibrant economy	89%	3%
Q8 - healthy town centres	91%	3%
Q9 - Infrastructure	91%	2%
Q10 - healthy communities	93%	1%
Q11 - green spaces	93%	2%
Q12 - greener future	92%	2%

\*these do not sum to 100% as there is a 'neither agree or disagree' category.

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- 23 Analysis of Question 3a (Draft Northern Sevenoaks Masterplan) and 3b (Which Way Westerham) has been undertaken at the local level, in order to understand local support/opposition:

Question 3a - Draft Northern Sevenoaks Masterplan results:

Area	Support/Strongly Support	Oppose/Strongly Oppose
District-wide	66%	13%
Sevenoaks North	67%	20%
Sevenoaks wards, Otford, Dunton Green, Kemsing, Seal	69%	18%

Question 3b - Which Way Westerham

District-wide	54%	19%
Westerham and Crockham Hill	22%	73%

Pie charts outlining these results are included at Appendix 1.

### Technical Responses

- 24 In addition to the household survey, the consultation document posed a number of 'technical questions' that were primarily aimed at local stakeholders, developers and duty to co-operate partners, such as neighbouring authorities. We have received approximately 200 responses covering both technical and site specific issues which are outlined below. A list of the public bodies that responded is included at Appendix 2 and summaries of the key organisational responses are included at Appendix 3.
- 25 In summary, some of the key issues that were raised are:
- Need for services to support housing - such as GPs, schools, roads and public transport - needs to be front-loaded, not just housing. Close partnership working with Kent County Council ongoing to ensure timely delivery.
  - Careful consideration of the Green Belt is required - and a preference was expressed for building on brownfield (previously developed) land

- Concerns about impacts from major roads - congestion, air pollution, noise
- Need to provide homes and services for older people
- Tourism / rural economy / broadband

26 There are 47 technical questions covering the six key objectives of the Plan and place-making areas. Summaries of the key points raised in relation to the six objectives are outlined at Appendix 4.

### **Next Steps**

27 A summary of these results will be communicated to the District in the December edition of In Shape.

28 We have identified a number of areas where further evidence is required (e.g. transport, biodiversity, viability - in relation to affordable housing, commercial development and whole plan viability) and this work will be undertaken over the next few months, with a progress report to be considered by PAC in January 2018.

29 We are currently drafting the new Local Plan, reflecting the views of local people, and intend to bring a Draft Plan to PAC and Cabinet in March 2018 for consultation next spring.

### **Other Options Considered and/or Rejected**

The option not to progress a new Local Plan would leave the Council open to reputational damage and likely Government intervention to produce a Local Plan for the District Council.

### **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

## Agenda Item 10

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.

### Conclusion

The Sevenoaks District Local Plan 2015 - 2035 Issues and Options document represents the first public consultation in the process of preparing a new Local Plan to replace the adopted Core Strategy 2011 and Allocations and Development Management Plan 2015. The document reflects other strategic documents of the Council in particular the Corporate Plan, Community Plan and the emerging housing and economic development strategies. It is backed by a substantial evidence base assembled over a two year period. The nine-week public consultation and engagement period has encouraged a substantial response, which will continue to be analysed and will inform the draft Local Plan, which will be prepared for a further round of public consultation next spring.

### Appendices

Appendix 1: Household Survey Pie Charts  
(separate document)  
Appendix 2: Organisational response list  
Appendix 3: Summary of key responses  
Appendix 4: Summary of responses by Objective

### Background Papers

[PAC key progress reports](#)  
[7 July 2015](#)      [Local Plan Work Programme](#)  
[19 April 2016](#)    [Local Plan Work Programme](#)  
[21 June 2016](#)    [Local Plan Update](#)  
[22 September 2016](#) [Local Plan Update](#)  
[16 May 2017](#)     [Local Plan Update](#)  
[22 June 2017](#)     [Local Plan - for consultation](#)

**Richard Morris**  
Chief Planning Officer

# Sevenoaks District Council Local Plan Consultation

**Main Consultation slides**

**Prepared by Lake Market Research**

**November 2017**

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

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## Profile of those responding to Consultation

Gender of respondent	
Male	48%
Female	52%
Prefer not to answer	2%

Age of respondent	
Under 16	0.1%
16 - 17	0.1%
18 - 24	1%
25 - 34	5%
35 - 44	10%
45 - 54	16%
55 - 64	20%
65 and over	43%
Prefer not to answer	4%

Disabled as set out in Equality Act 2010	
Yes	12%
No	82%
Prefer not to answer	6%

Working status of respondent	
Employee in full time job	26%
Employee in part time job	9%
Self employed full or part time	10%
On a government supported training programme	0.06%
In full time education at school, college or university	0.3%
Unemployed and available for work	1%
Permanently sick / disabled	2%
Wholly retired from work	41%
Looking after the home	5%
Something else	2%
Prefer not to answer	4%

Children aged 17 or under living in household	
None	76%
One	8%
Two	9%
Three	2%
More than three	0.4%
Prefer not to answer	3%

## Profile of those responding to Consultation

Gender of respondent	Consultation response	Profile of area
Male	48%	48%
Female	52%	52%
Prefer not to answer	2%	

Age of respondent	Consultation response	Profile of area
16 - 24	1.2%	12%
25 - 44	16%	30%
45 - 64	36%	35%
65 and over	43%	23%
Prefer not to answer	4%	

## Profile of those responding to Consultation vs. profile of area

Sevenoaks District Council wards	Consultation response	Profile of area
Ash & New Ash Green	5%	5%
Brasted, Chevening & Sundridge	6%	5%
Cowden & Hever	2%	2%
Crockenhill & Well Hill	2%	2%
Dunton Green & Riverhead	4%	4%
Edenbridge North & East	4%	4%
Edenbridge South & West	4%	4%
Eynsford	2%	2%
Farningham, Horton, Kirby & South Darent	4%	4%
Fawkham & West Kingsdown	5%	6%
Halstead, Knockholt & Badgers Mount	4%	3%
Harley & Hodsoll Street	5%	5%
Hextable	4%	4%
Kemsing	4%	4%

Sevenoaks District Council wards	Consultation response	Profile of area
Leigh & Chiddingstone Causeway	2%	2%
Otford & Shoreham	4%	4%
Penshurst, Fordcombe & Chiddingstone	2%	2%
Seal & Weald	4%	4%
Sevenoaks Eastern	4%	3%
Sevenoaks Kippington	5%	4%
Sevenoaks Northern	3%	4%
Sevenoaks Town & St.Johns	6%	6%
Swanley Christchurch & Swanley Village	4%	5%
Swanley St Mary's	2%	4%
Swanley White Oak	4%	5%
Westerham & Crockham Hill	6%	4%

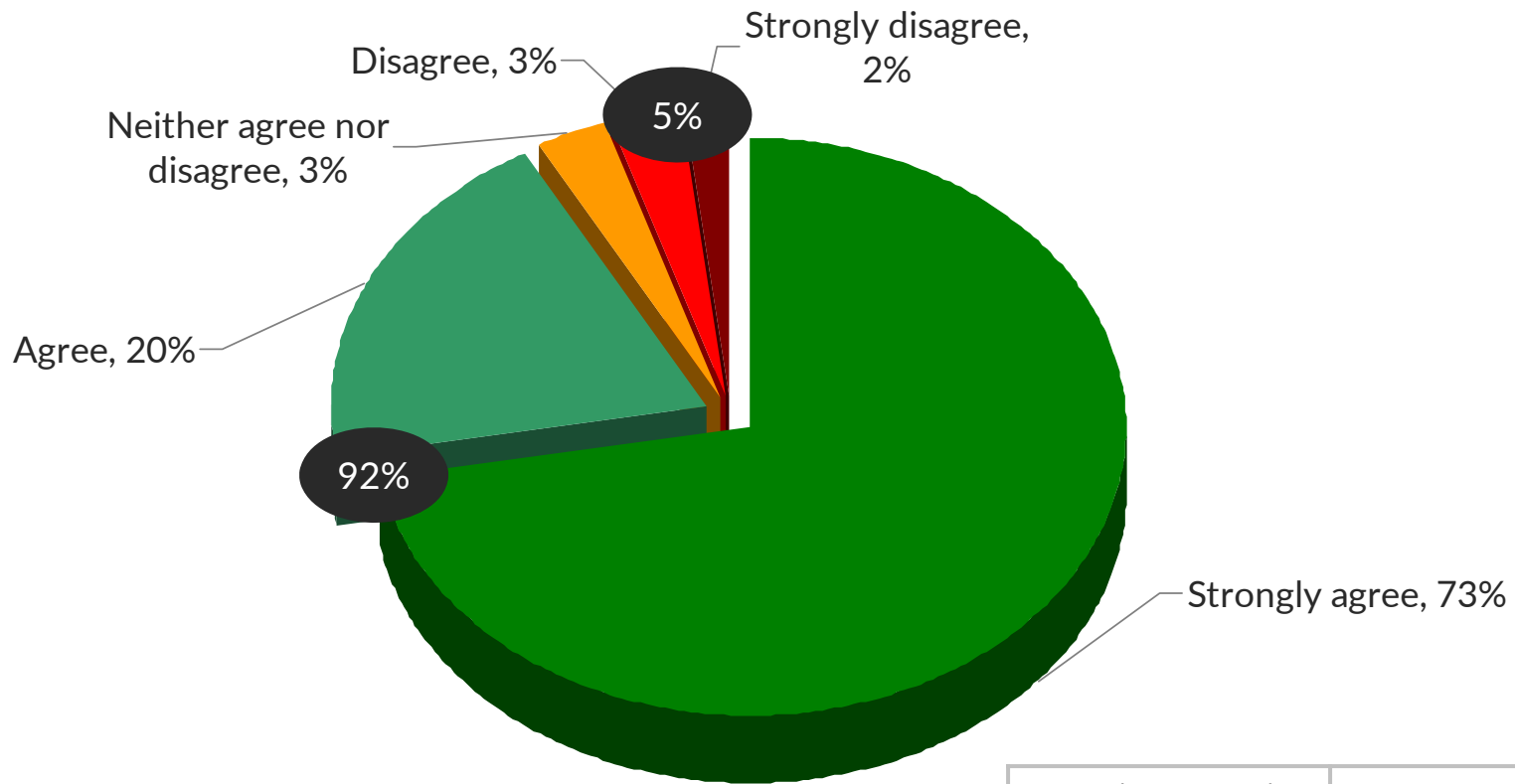
Consultation profile percentages have been rebased in the table above to exclude those outside of Sevenoaks – 6% of those answering



# Objective 1: Promoting housing choice for all

## Q1. How much do you agree or disagree that...

*We should continue to protect the Green Belt by building new homes on land which has been previously built on? i.e. Brownfield land*



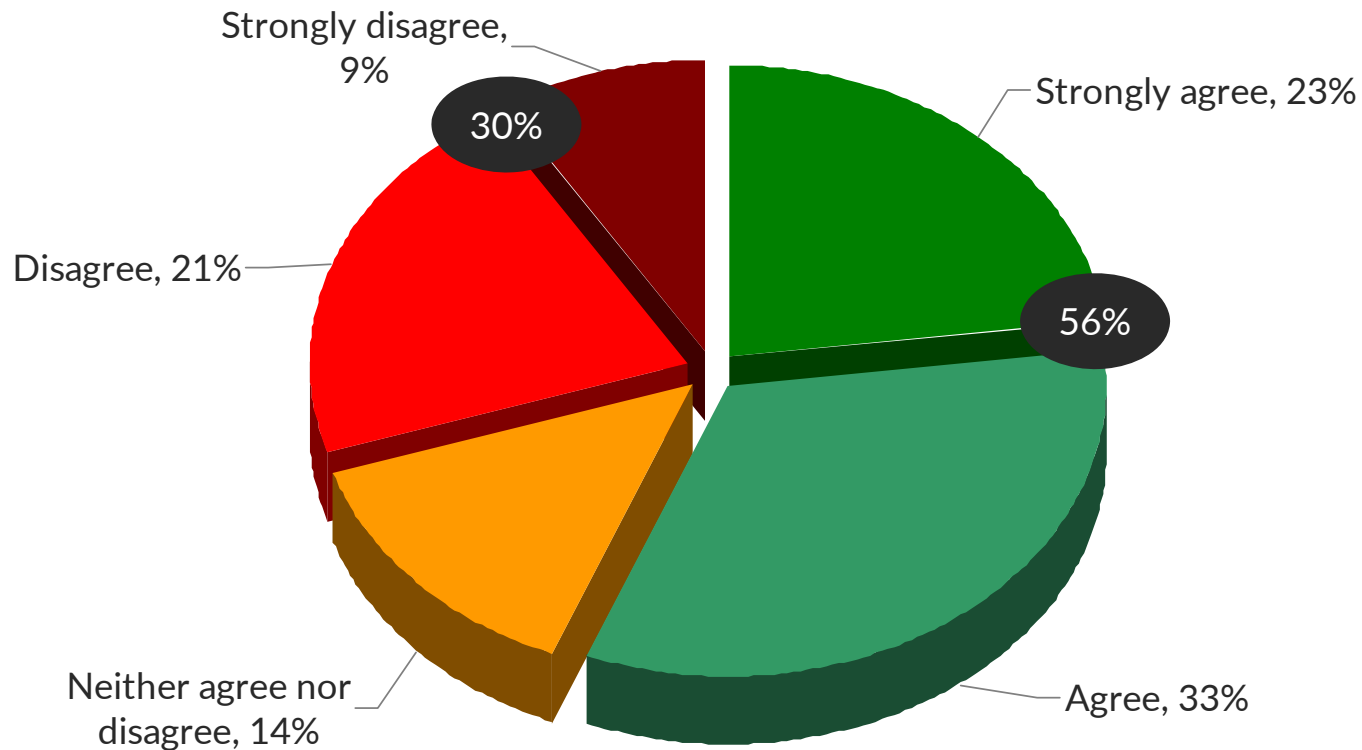
Base size answering scale	Not answered / No opinion
15,139	236

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

# Objective 1: Promoting housing choice for all

## Q2. How much do you agree or disagree that...

*We should continue to protect the Green Belt by building new homes at slightly higher density?  
This means building more homes on a plot of land than we do at the moment.*



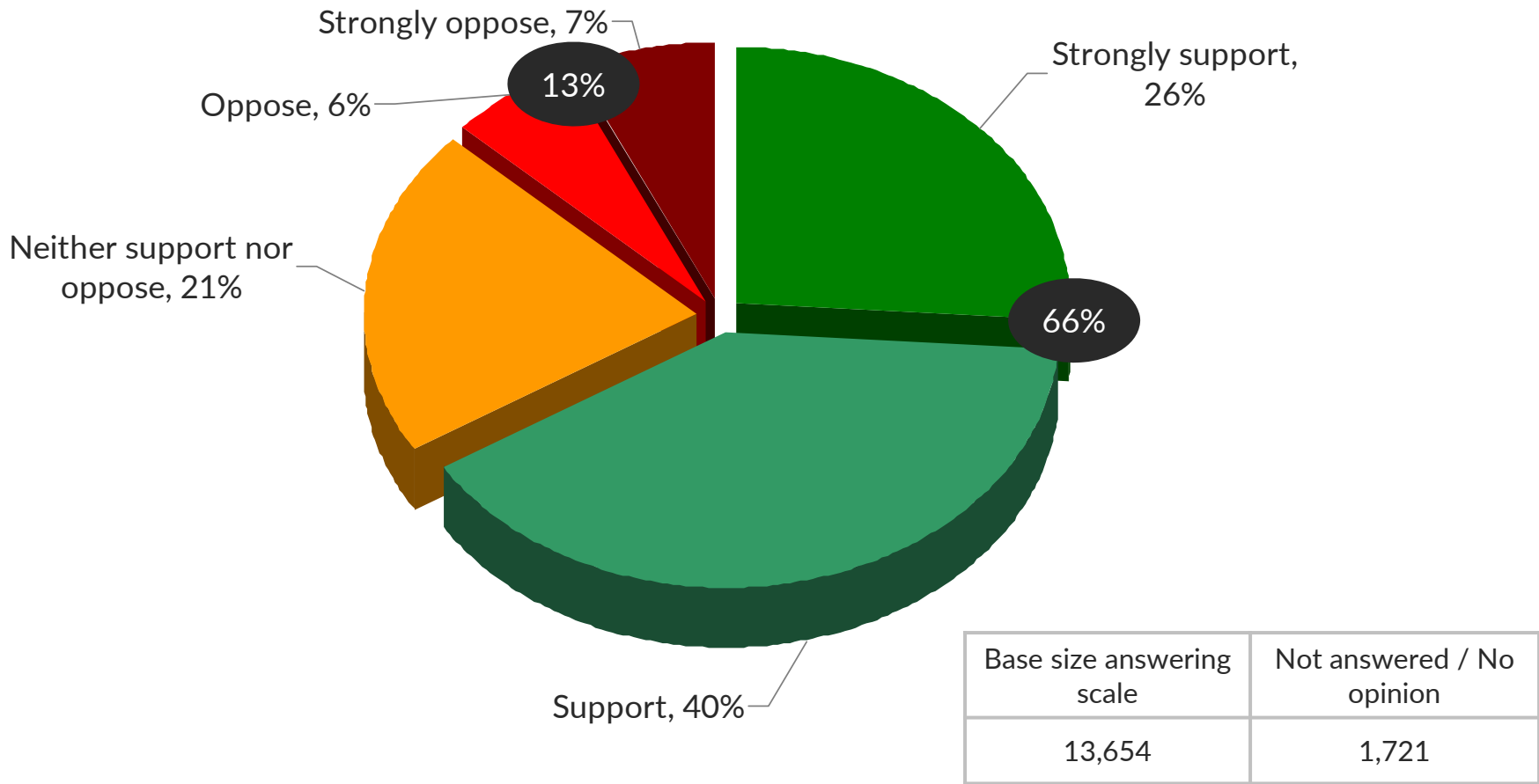
Base size answering scale	Not answered / No opinion
14,991	384

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

# Objective 1: Promoting housing choice for all

## Q3a. To what extent do you support or oppose the following concepts...

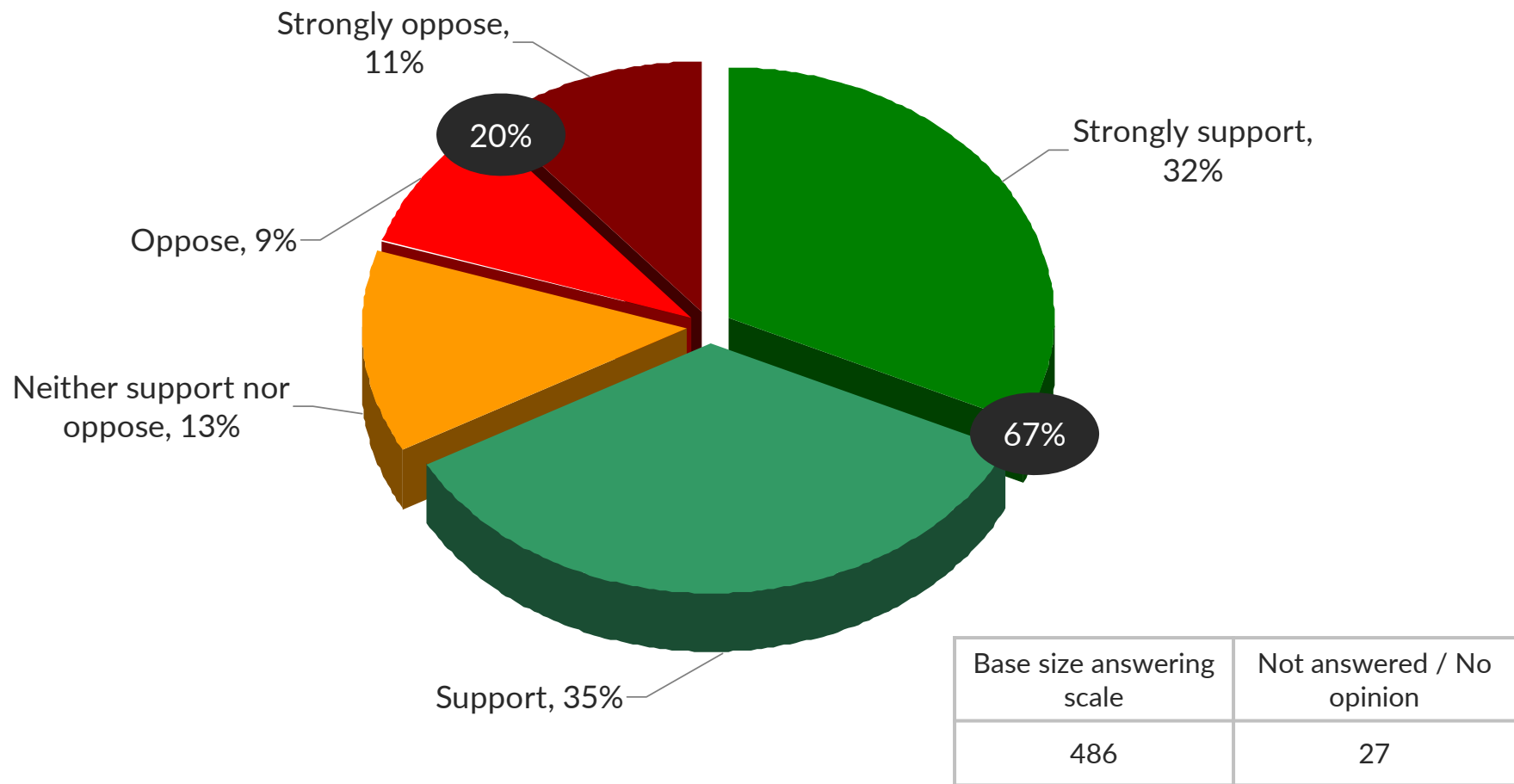
### Draft Northern Sevenoaks Masterplan



## Objective 1: Promoting housing choice for all

Q3a. To what extent do you support or oppose the following concepts...

*Draft Northern Sevenoaks Masterplan - Based on Sevenoaks North ward responses only*



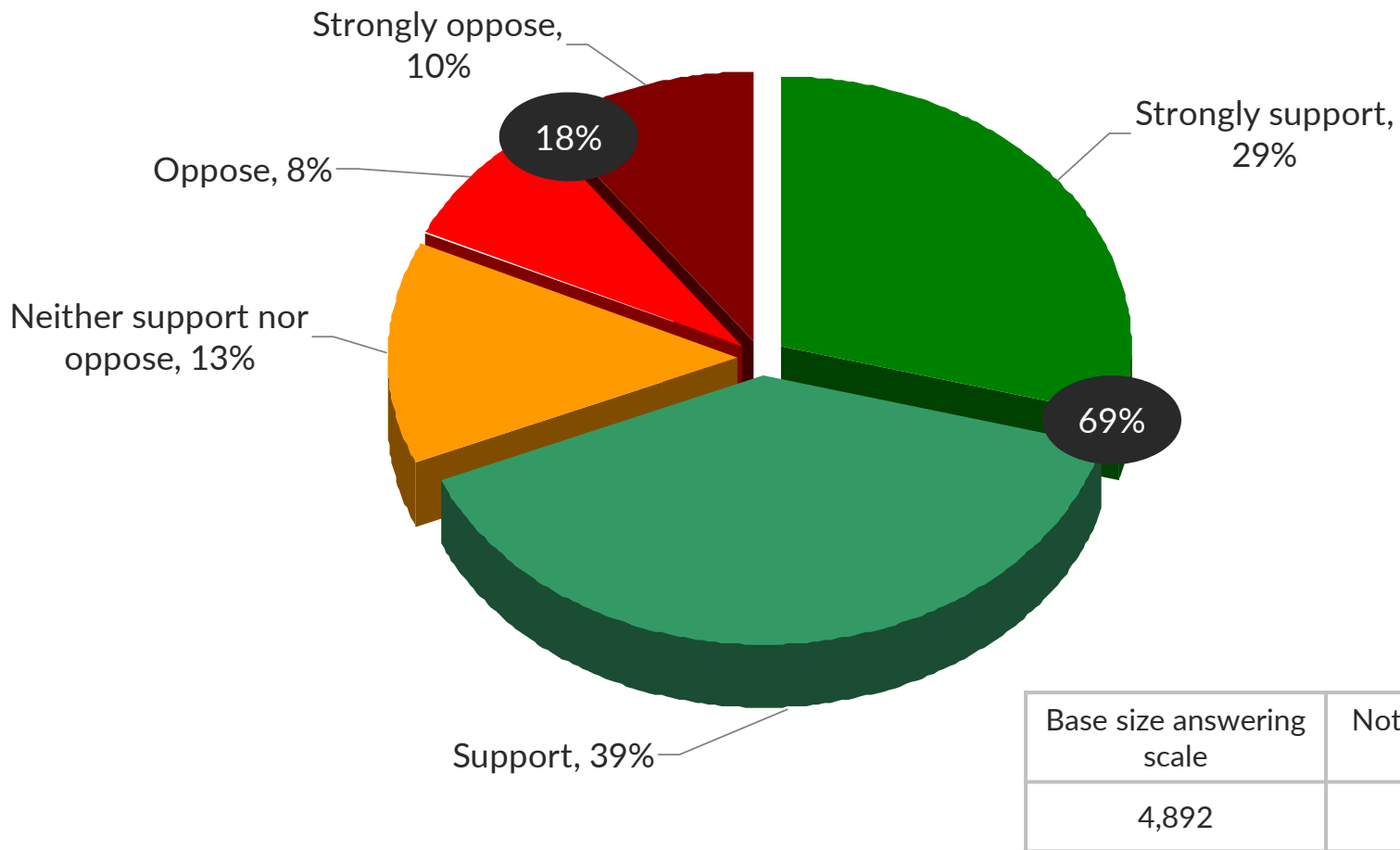
Page 114

Base: Various for each question (Not relevant & not answered excluded – original base size 513)

# Objective 1: Promoting housing choice for all

## Q3a. To what extent do you support or oppose the following concepts...

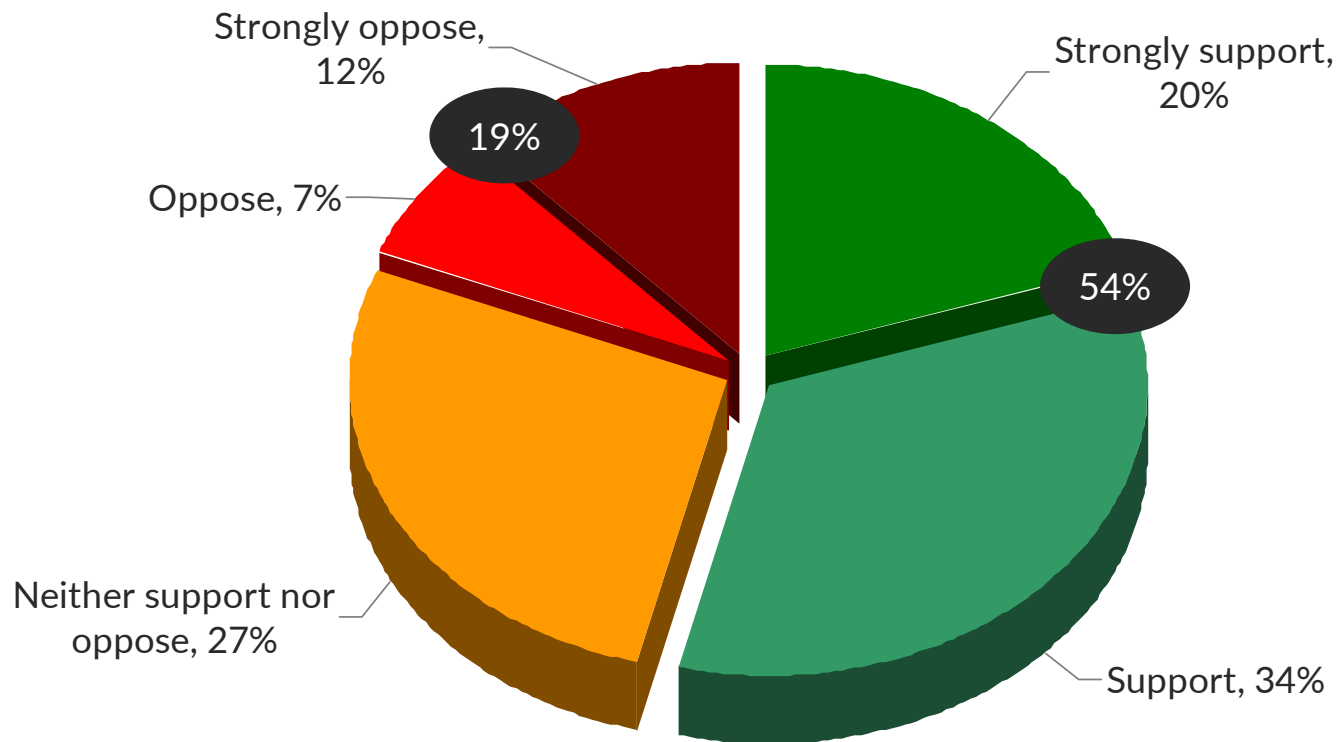
*Draft Northern Sevenoaks Masterplan - Based on Sevenoaks wards, Otford, Dunton Green, Kemsing and Seal responses only*



# Objective 1: Promoting housing choice for all

## Q3b. To what extent do you support or oppose the following concepts...

### 'Which Way Westerham'



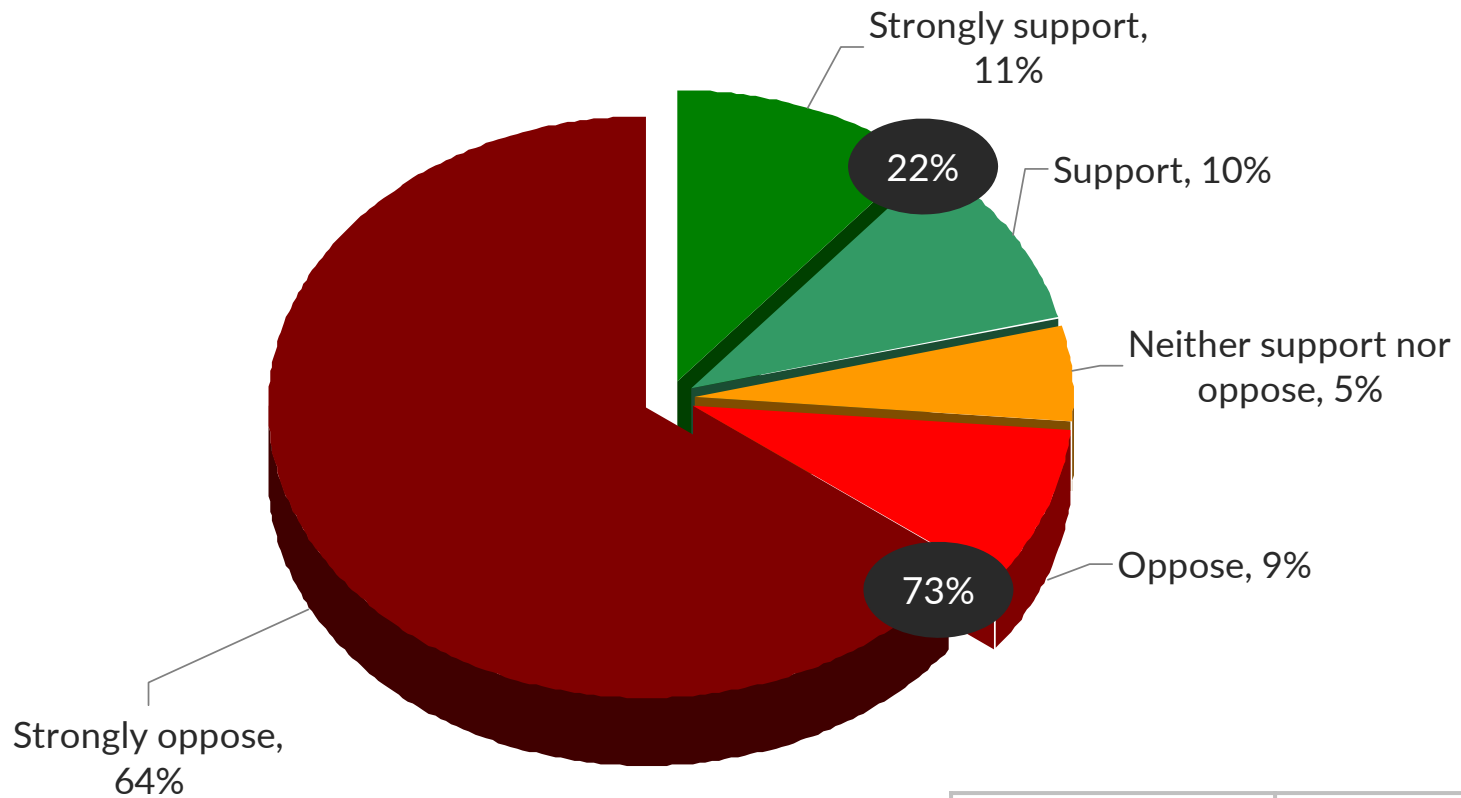
Base size answering scale	Not answered / No opinion
12,893	2,482

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

# Objective 1: Promoting housing choice for all

## Q3b. To what extent do you support or oppose the following concepts...

*'Which Way Westerham' - Based on Westerham and Crockham Hill ward responses only*



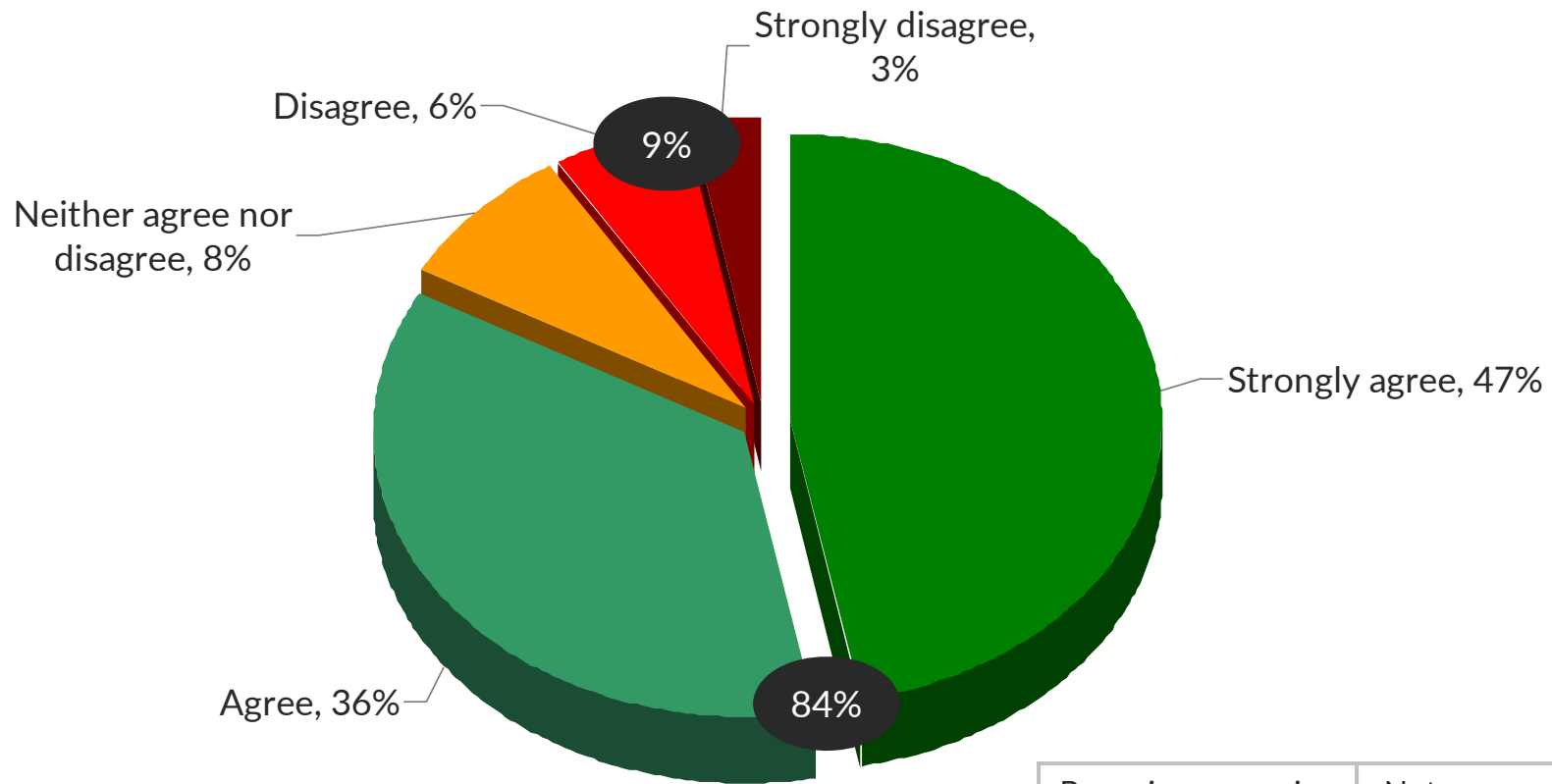
Base size answering scale	Not answered / No opinion
875	41

Base: Various for each question (Not relevant & not answered excluded - original base size 916)

# Objective 1: Promoting housing choice for all

## Q4. How much do you agree or disagree that...

*We should promote affordable housing and smaller private homes to meet the needs of all of our residents.*



Base size answering scale	Not answered / No opinion
15,136	239

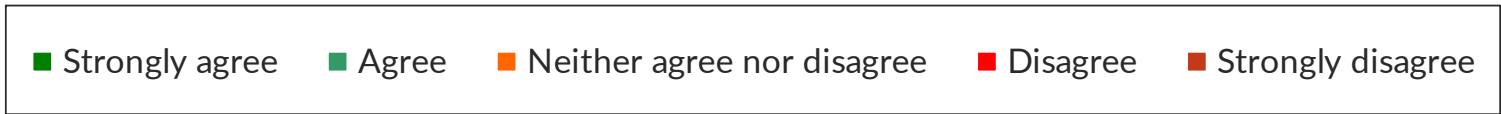
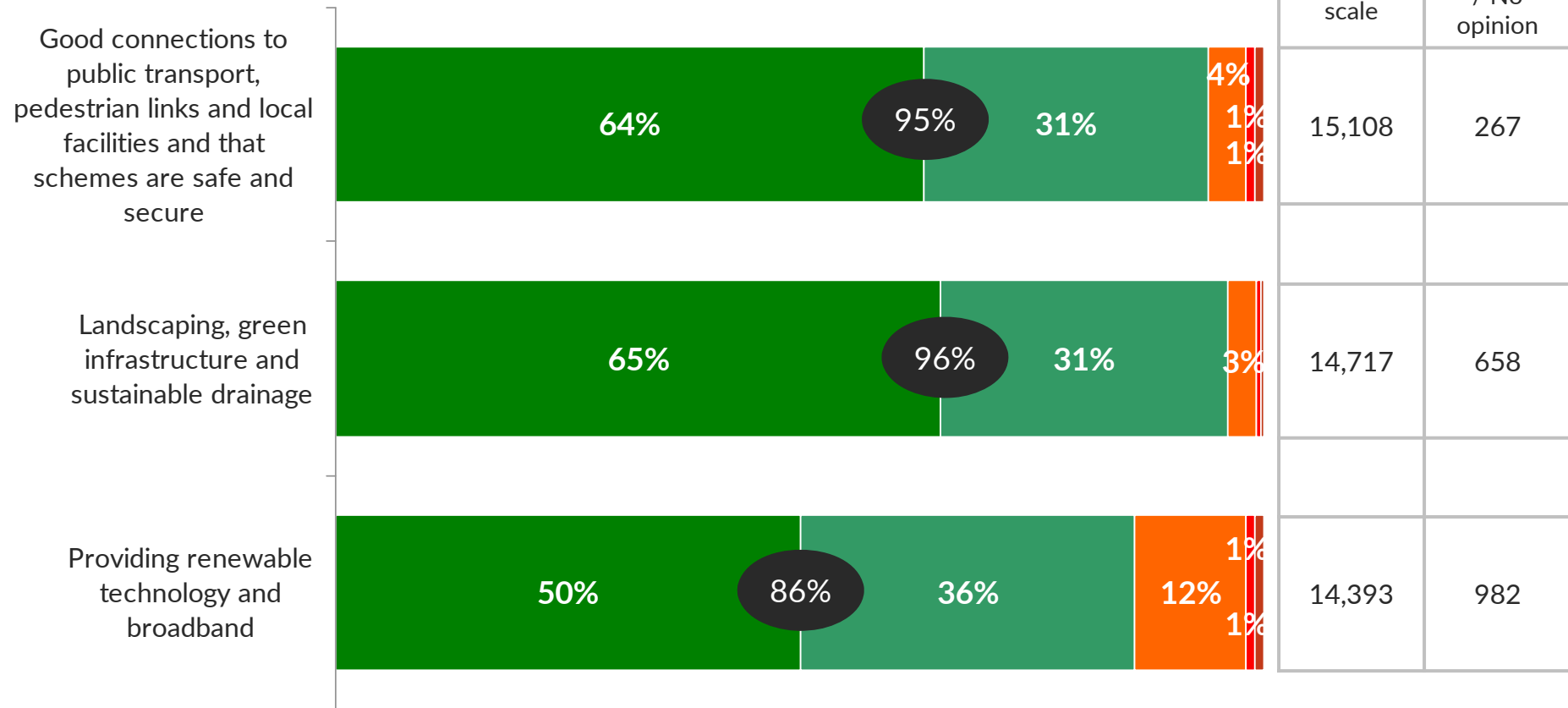
Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)



## Objective 2: Promoting well designed, safe places and safeguarding and enhancing the District's distinctive high quality natural and built environments

### Q5. How much do you agree or disagree that...

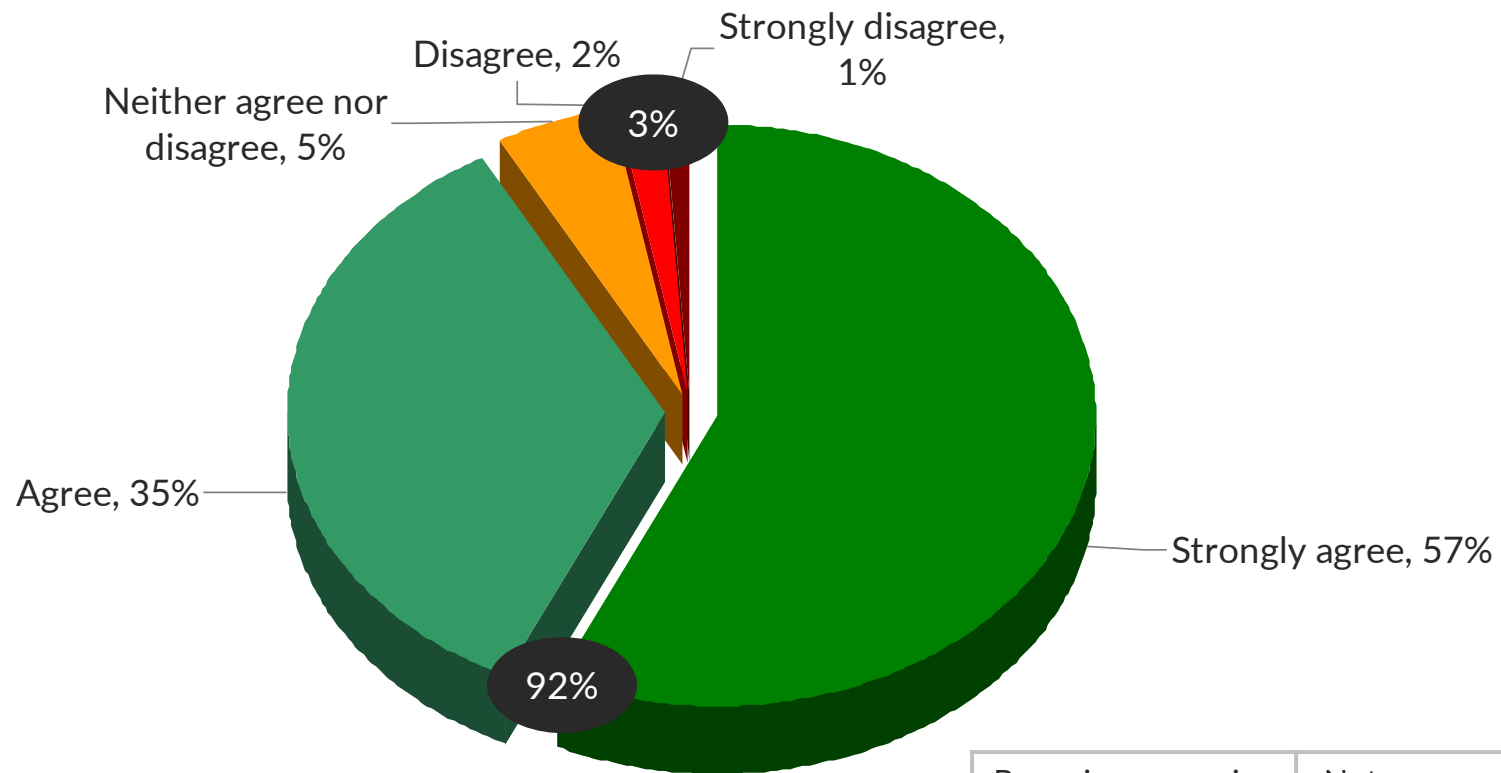
#### All new buildings and developments include the following...



# Objective 3: Supporting a vibrant local economy both urban and rural

## Q6. How much do you agree or disagree that...

*We should make more efficient use of existing employment sites and redevelop suitable brownfield land to meet the need for more employment land.*

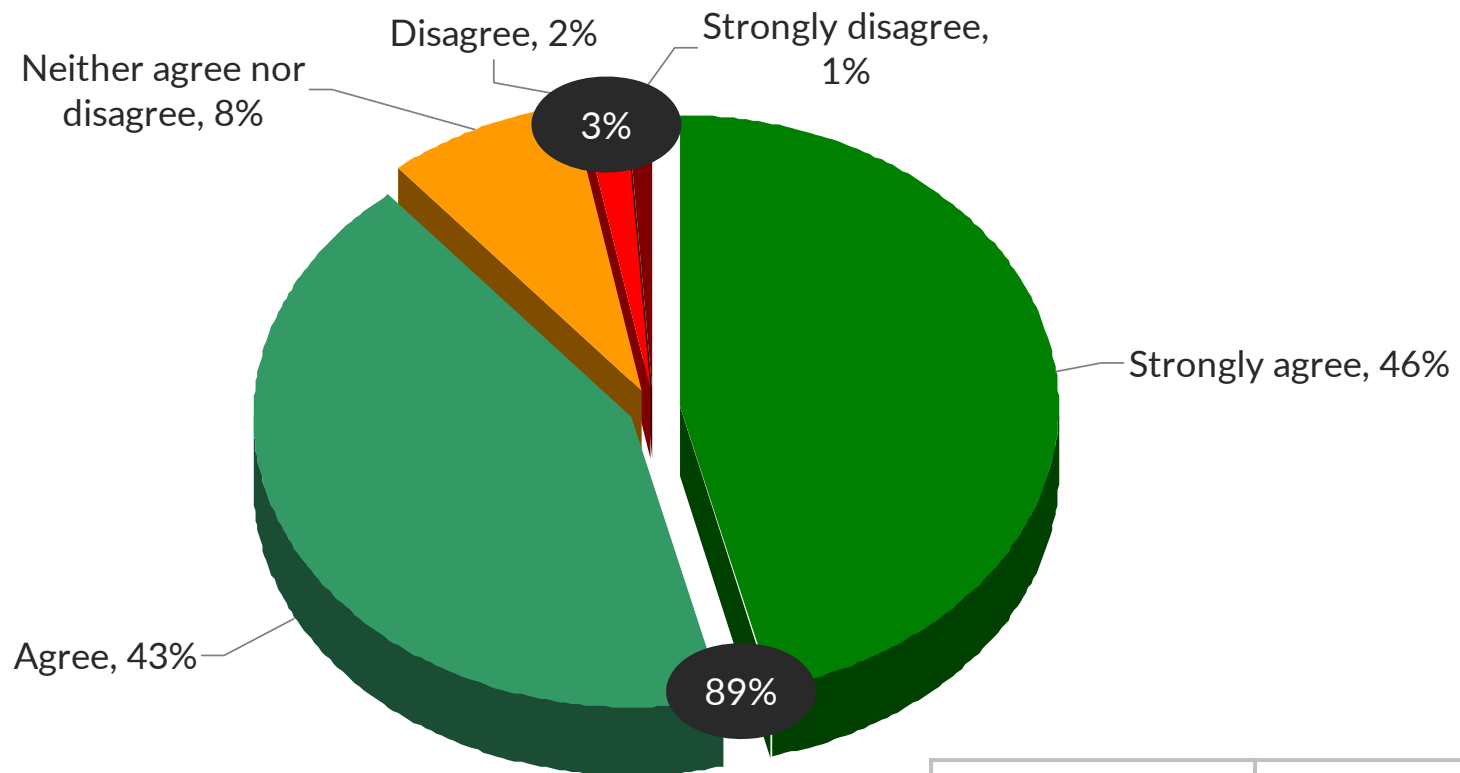


Base size answering scale	Not answered / No opinion
15,108	267

## Objective 3: Supporting a vibrant local economy both urban and rural

### Q7. How much do you agree or disagree with...

*Our approach to protecting employment sites, creating new business and home-working opportunities and ensuring the District remains a competitive location for businesses.*



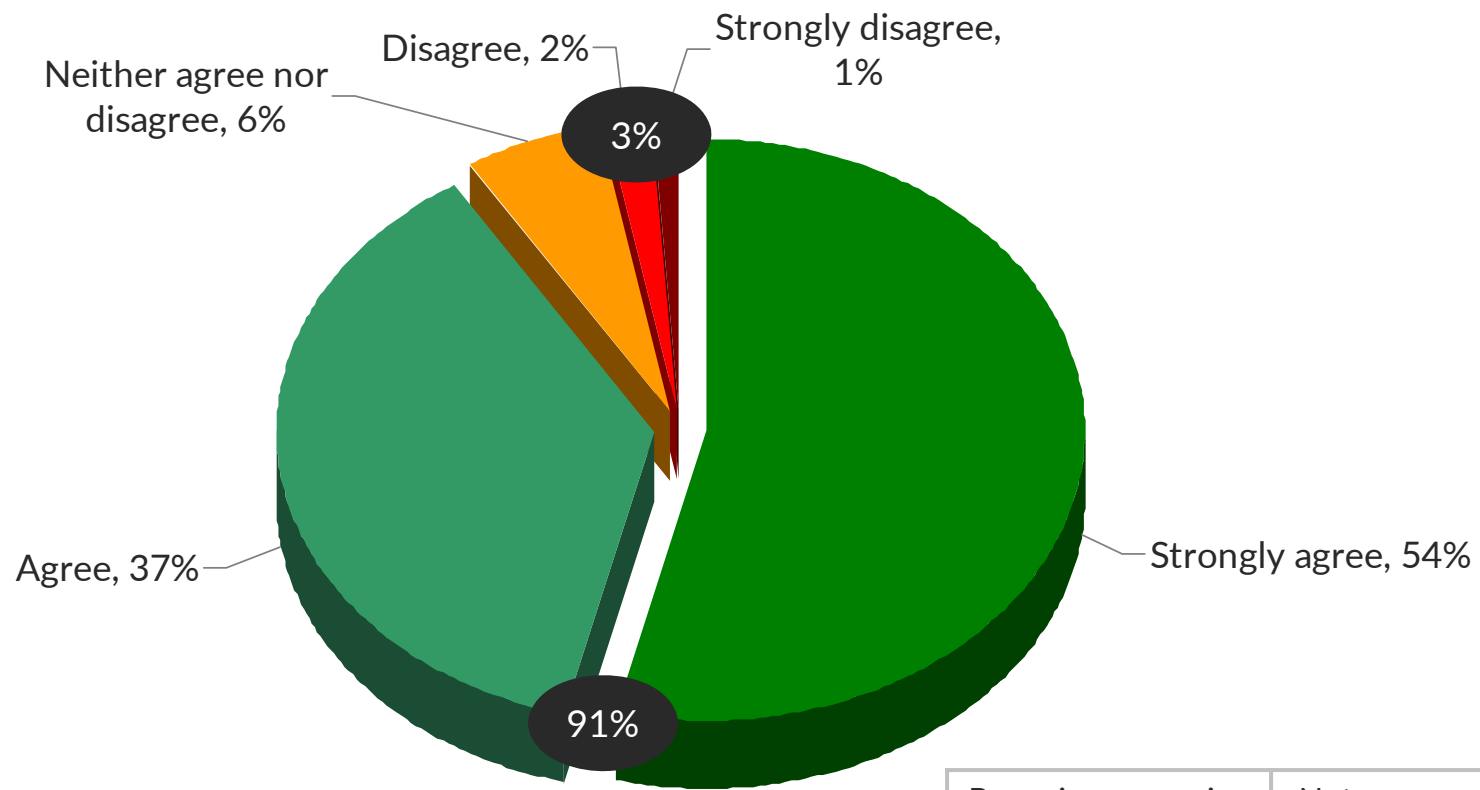
Base size answering scale	Not answered / No opinion
15,059	316

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

## Objective 4: Supporting lively communities with well performing town and village centres that provide a range of services, facilities and infrastructure

### Q8. How much do you agree or disagree with...

*Our approach to protecting our existing town centres and local centres.*



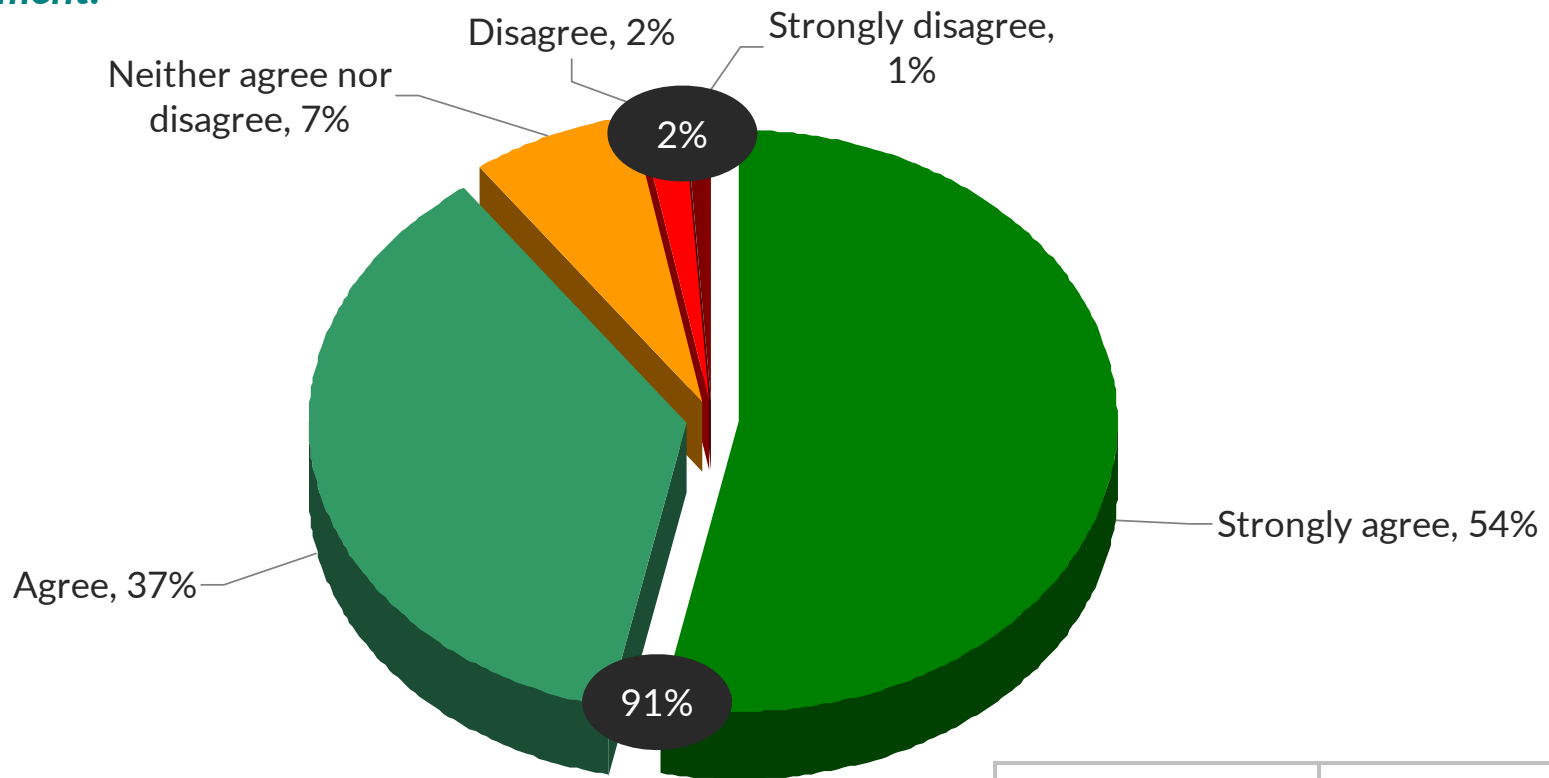
Base size answering scale	Not answered / No opinion
15,163	212

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

## Objective 4: Supporting lively communities with well performing town and village centres that provide a range of services, facilities and infrastructure

### Q9. How much do you agree or disagree that...

*We should prioritise working closely with other councils, public bodies and service providers to deliver what infrastructure is needed, where it is needed and when it is needed, to support new development.*



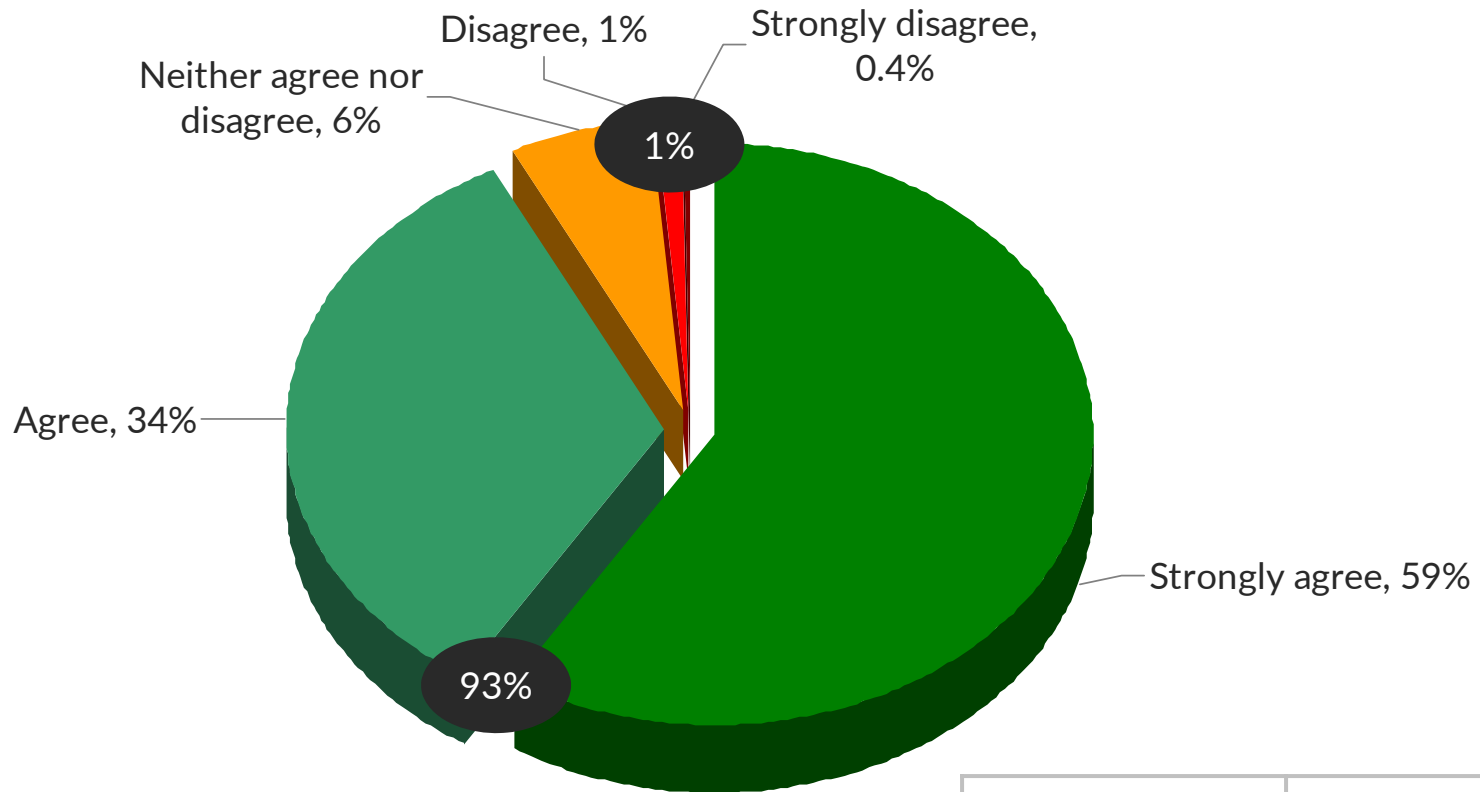
Base size answering scale	Not answered / No opinion
15,081	294

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

## Objective 5: Promoting healthy living opportunities

### Q10. How much do you agree or disagree with...

*Our approach to encouraging healthy communities.*



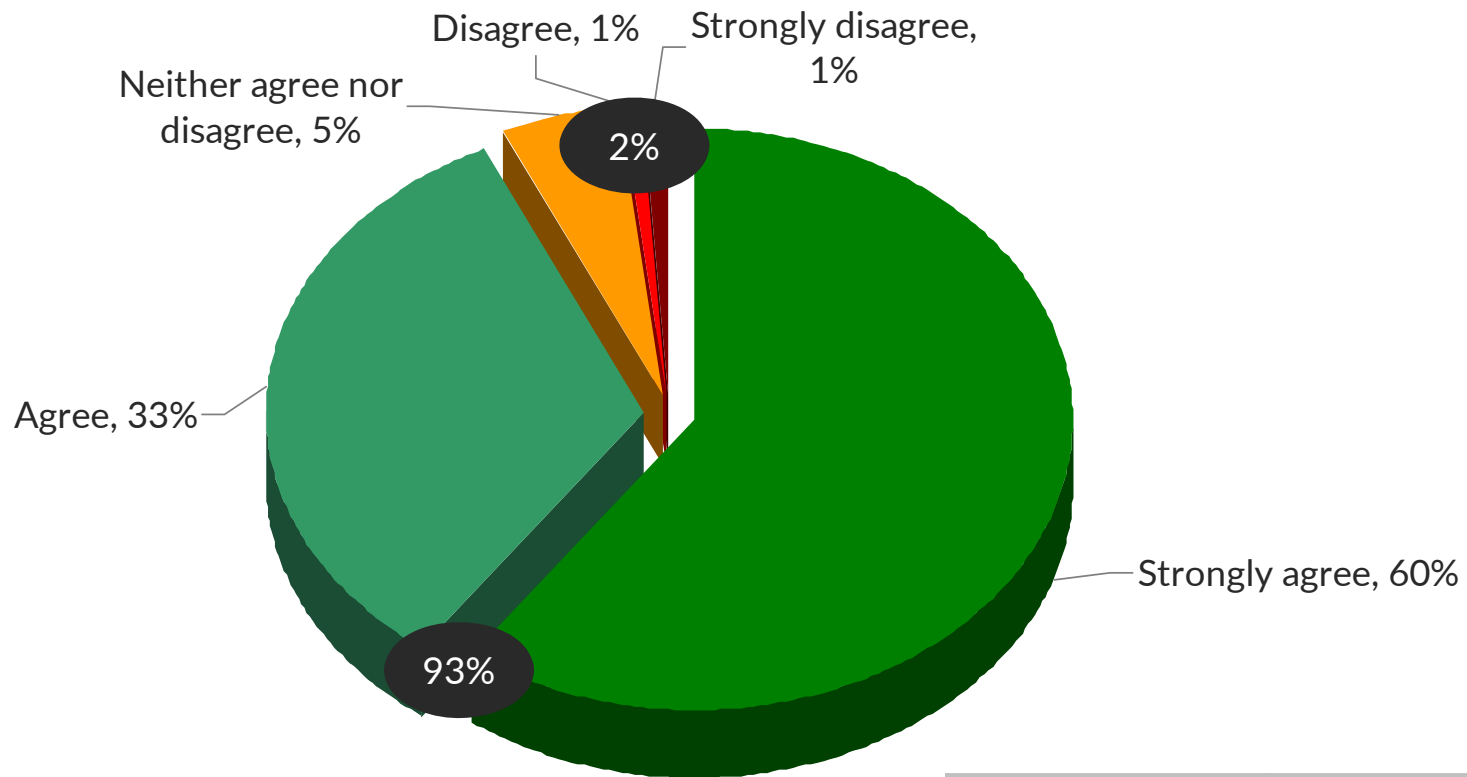
Base size answering scale	Not answered / No opinion
15,080	295

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

## Objective 5: Promoting healthy living opportunities

### Q11. How much do you agree or disagree with this approach...

*We want to identify important green spaces, within both urban and rural areas.*



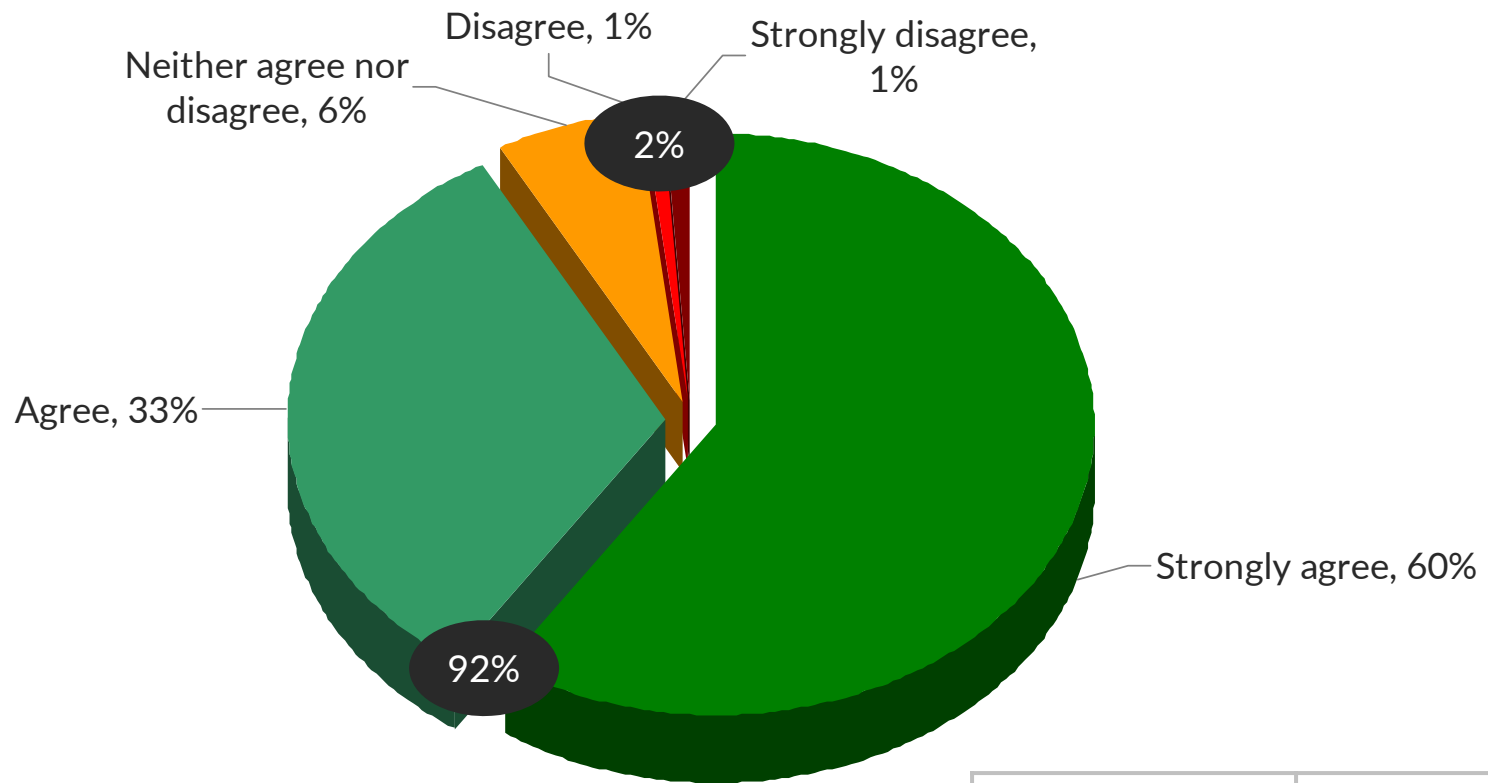
Base size answering scale	Not answered / No opinion
14,991	295

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)

## Objective 6: Promoting a greener future

### Q12. How much do you agree or disagree with ...

*Our approach to promoting a greener future.*



Base size answering scale	Not answered / No opinion
15,100	384

Base: Various for each question (Not relevant & not answered excluded – original base size 15,375)



# Sevenoaks District Council Local Plan Consultation

**School Consultation slides**

**Prepared by Lake Market Research**

**November 2017**

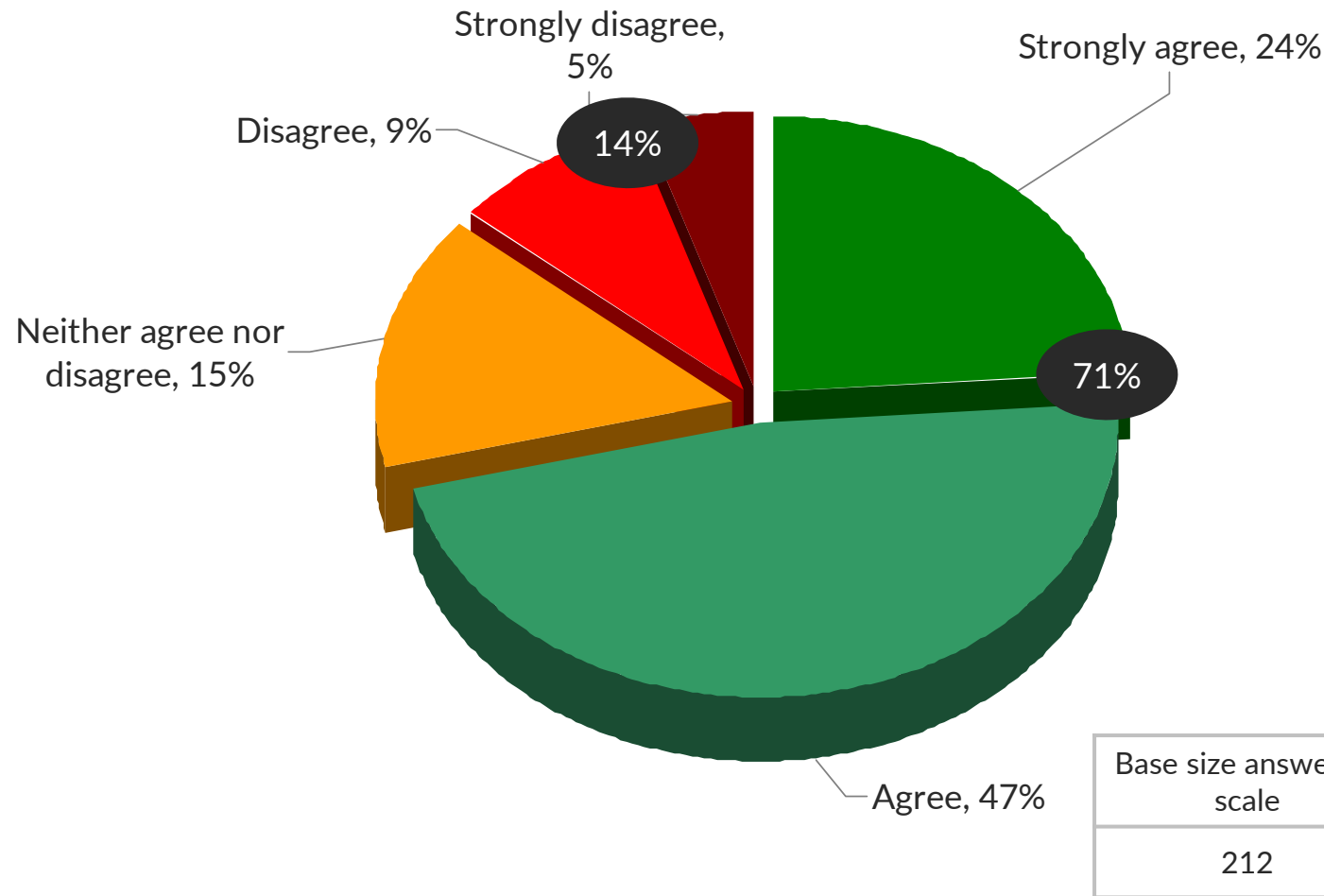
*This report complies with ISO:20252 standards  
and other relevant forms of conduct*

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# Objective 1: Promoting housing choice for all

## Q1. How much do you agree or disagree that...

*We should continue to protect the Green Belt by building new homes on land which has been previously built on? i.e. Brownfield land*

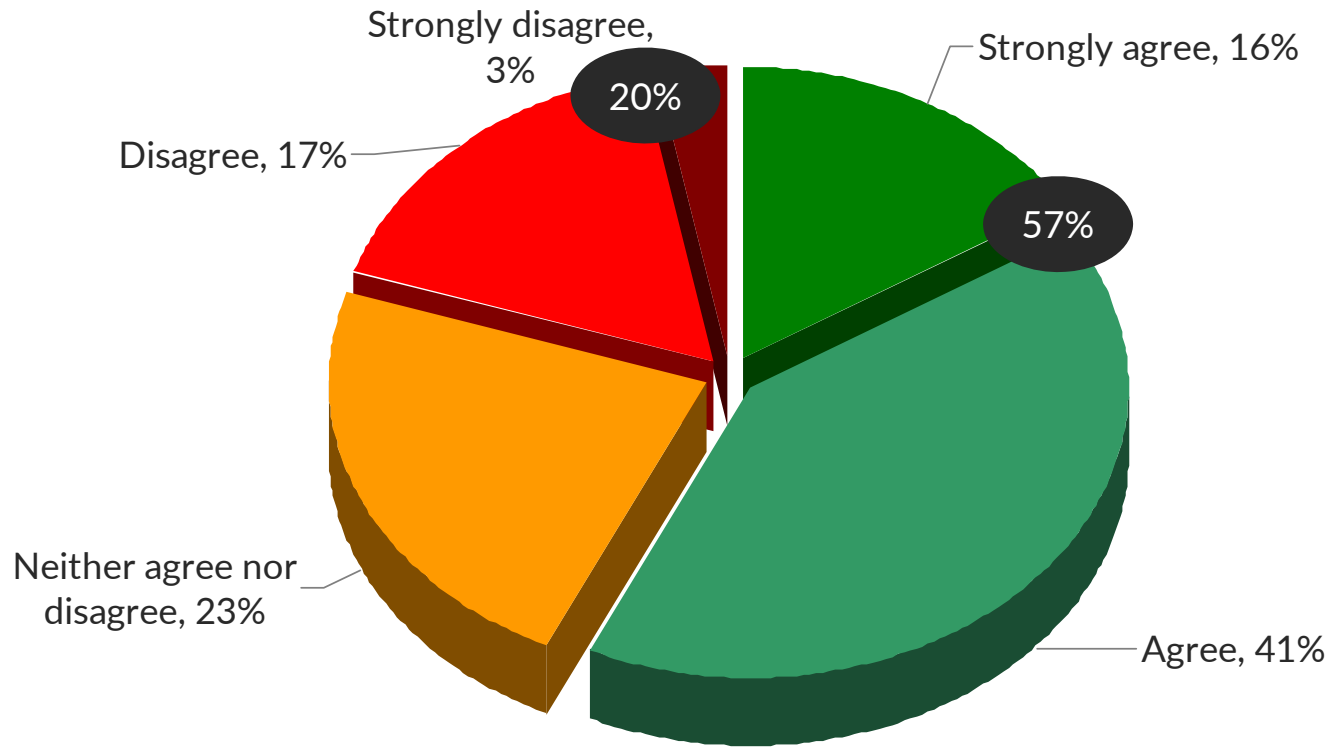


Page 128

# Objective 1: Promoting housing choice for all

## Q2. How much do you agree or disagree that...

*We should continue to protect the Green Belt by building new homes at slightly higher density?  
This means building more homes on a plot of land than we do at the moment.*



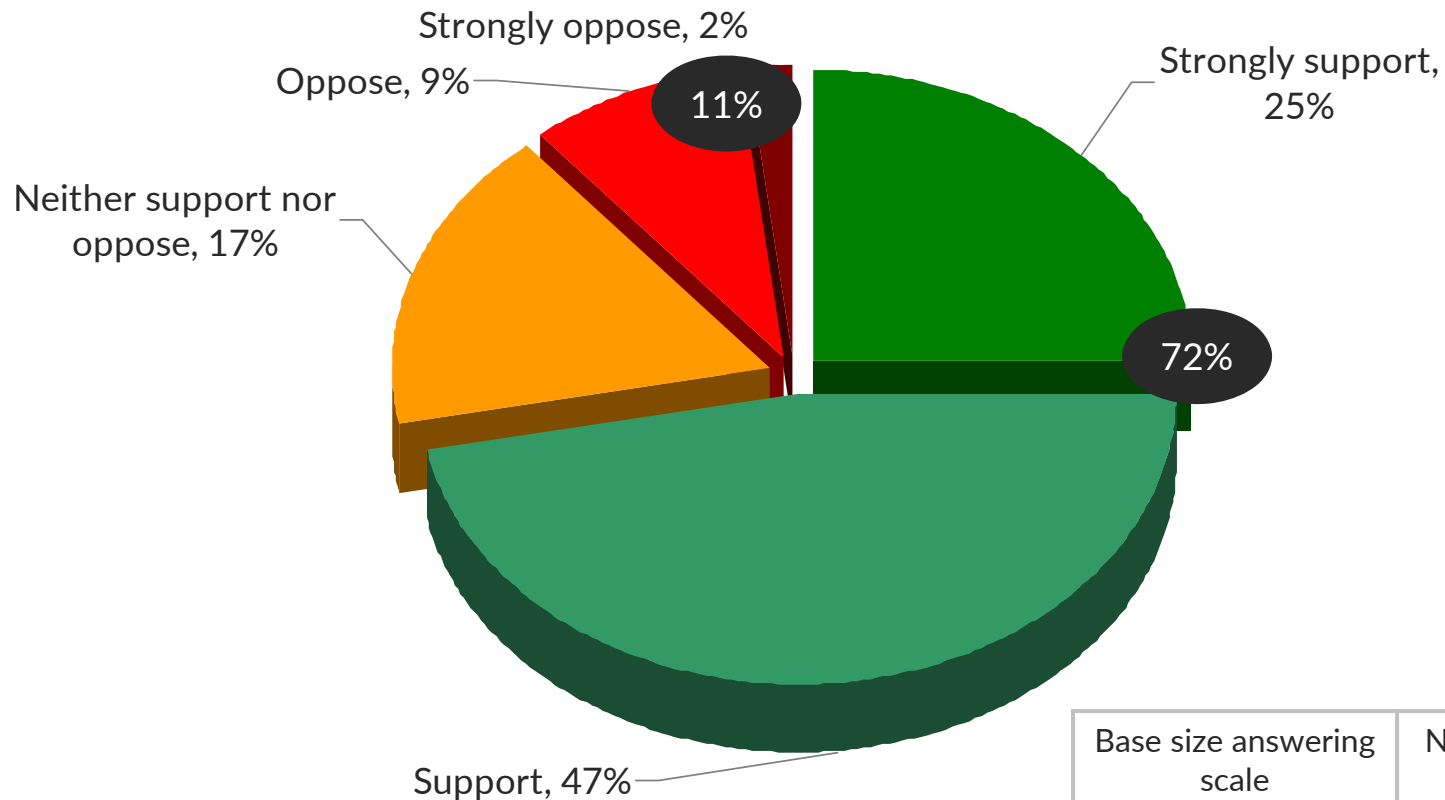
Base size answering scale	Not answered / No opinion
210	16

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

# Objective 1: Promoting housing choice for all

Q3a. To what extent do you support or oppose the following concepts...

*Draft Northern Sevenoaks Masterplan*



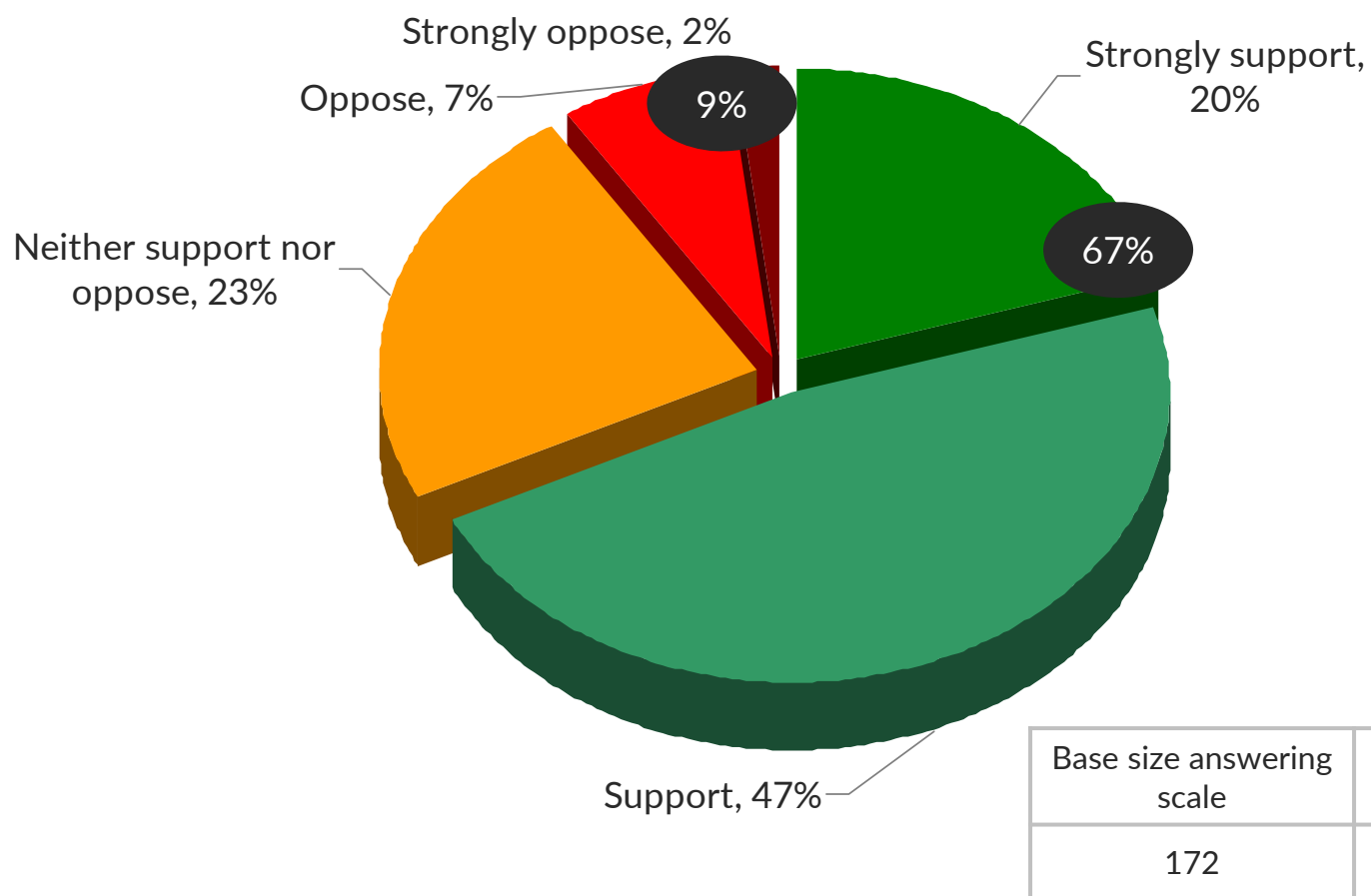
Base size answering scale	Not answered / No opinion
175	51

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

## Objective 1: Promoting housing choice for all

Q3b. To what extent do you support or oppose the following concepts...

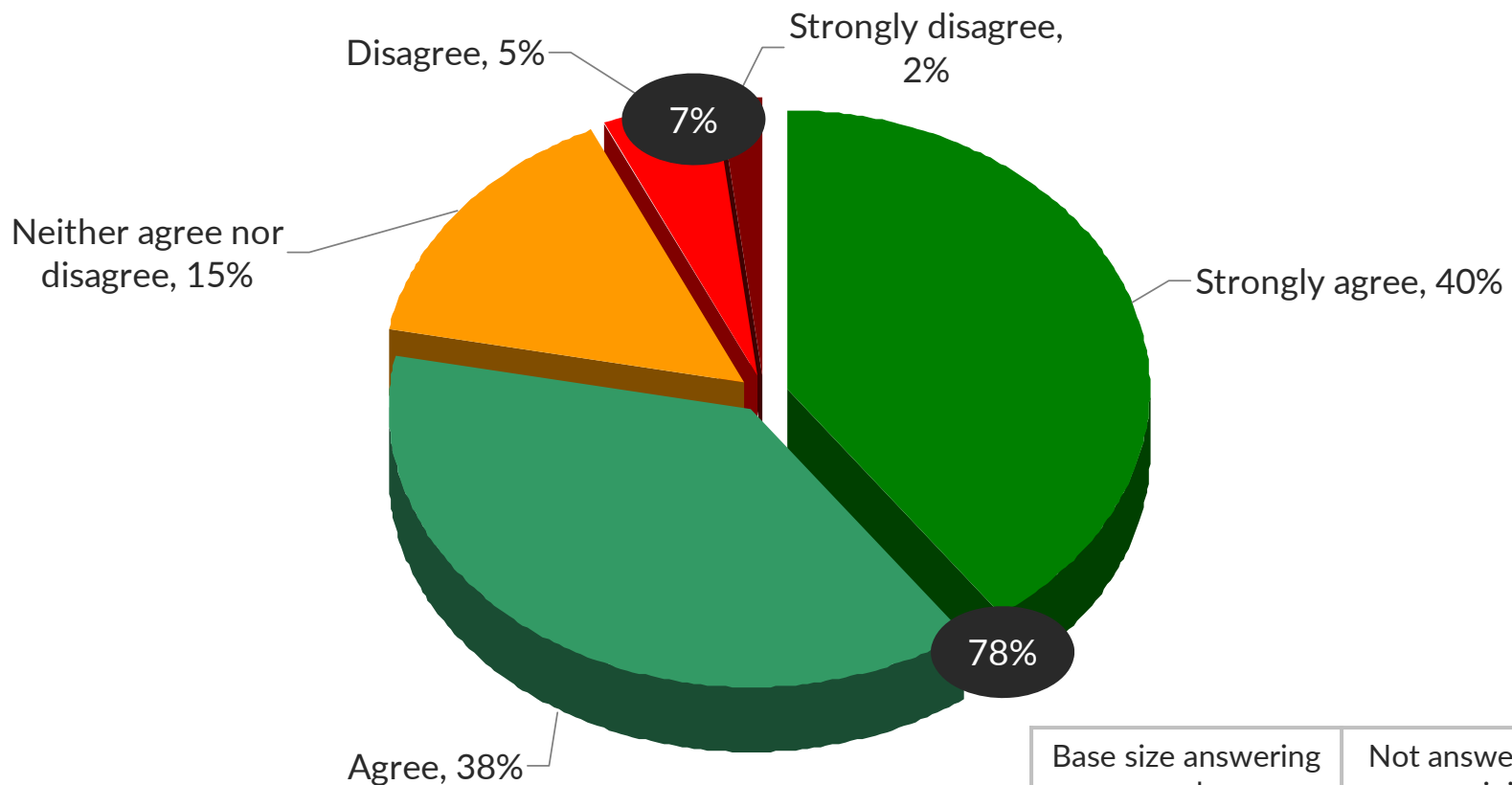
*'Which Way Westerham'*



# Objective 1: Promoting housing choice for all

## Q4. How much do you agree or disagree that...

*We should promote affordable housing and smaller private homes to meet the needs of all of our residents.*



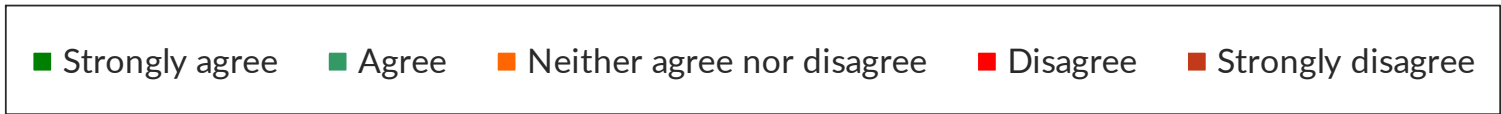
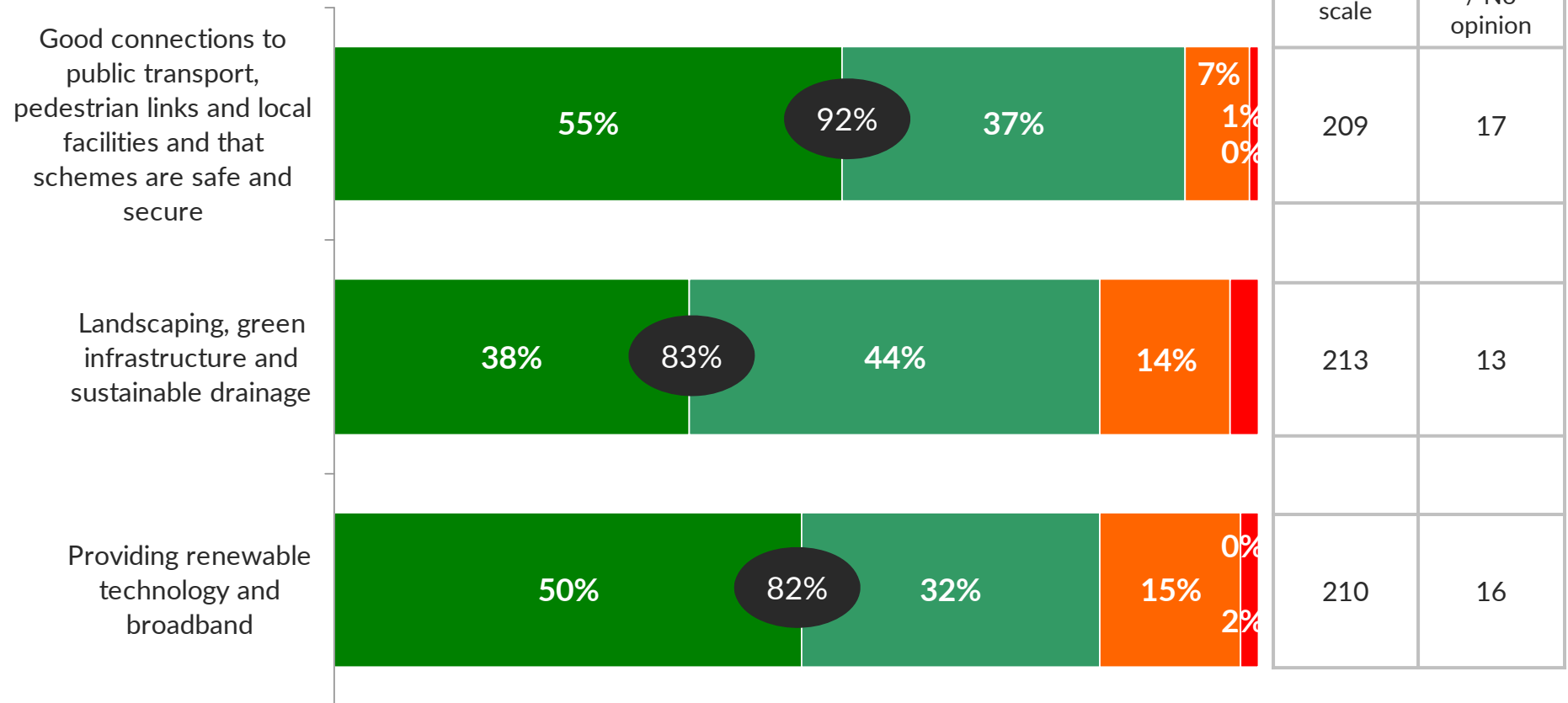
Base size answering scale	Not answered / No opinion
216	10

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

## Objective 2: Promoting well designed, safe places and safeguarding and enhancing the District's distinctive high quality natural and built environments

### Q5. How much do you agree or disagree that...

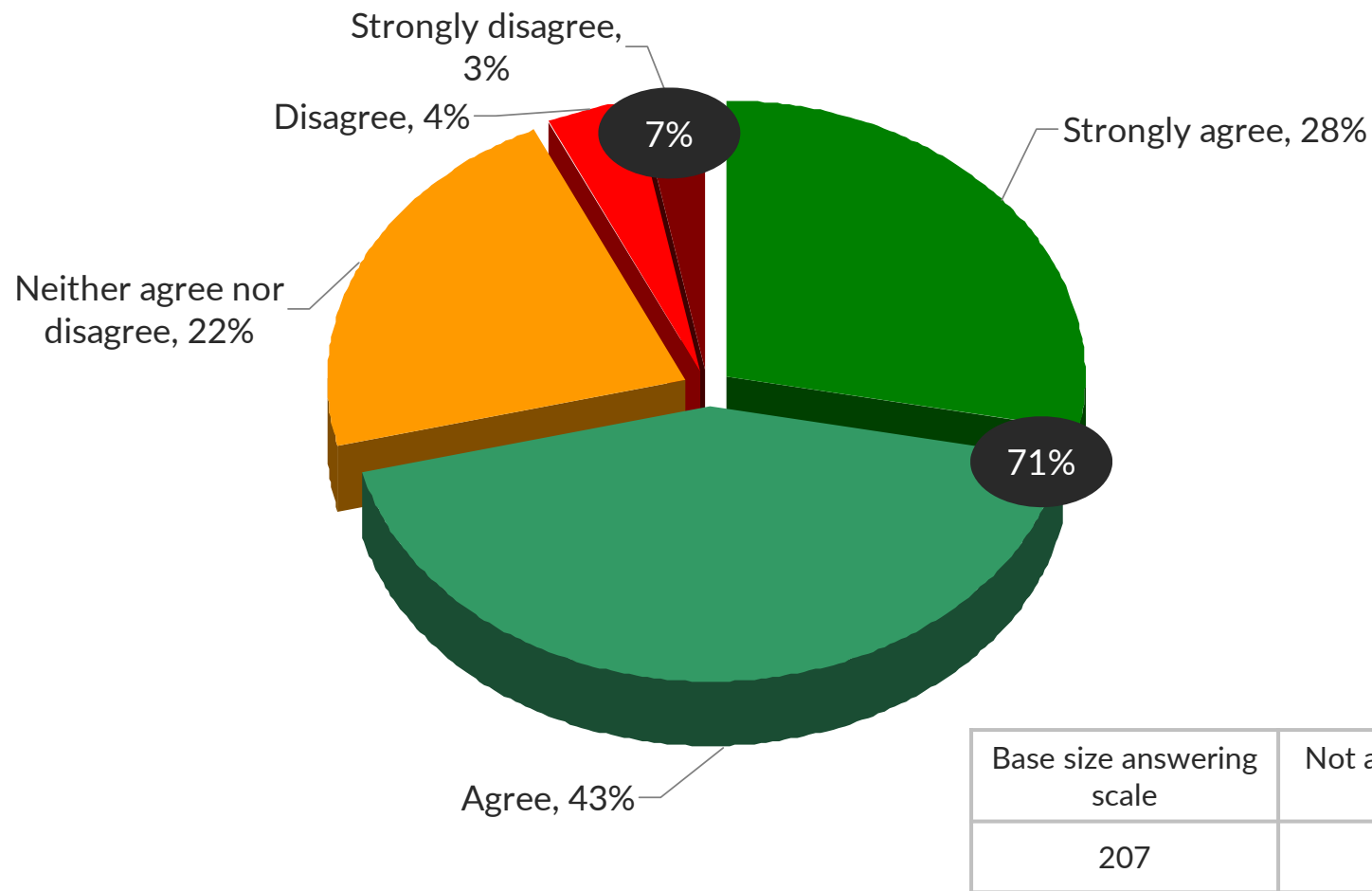
#### All new buildings and developments include the following...



## Objective 3: Supporting a vibrant local economy both urban and rural

### Q6. How much do you agree or disagree that...

*We should make more efficient use of existing employment sites and redevelop suitable brownfield land to meet the need for more employment land.*

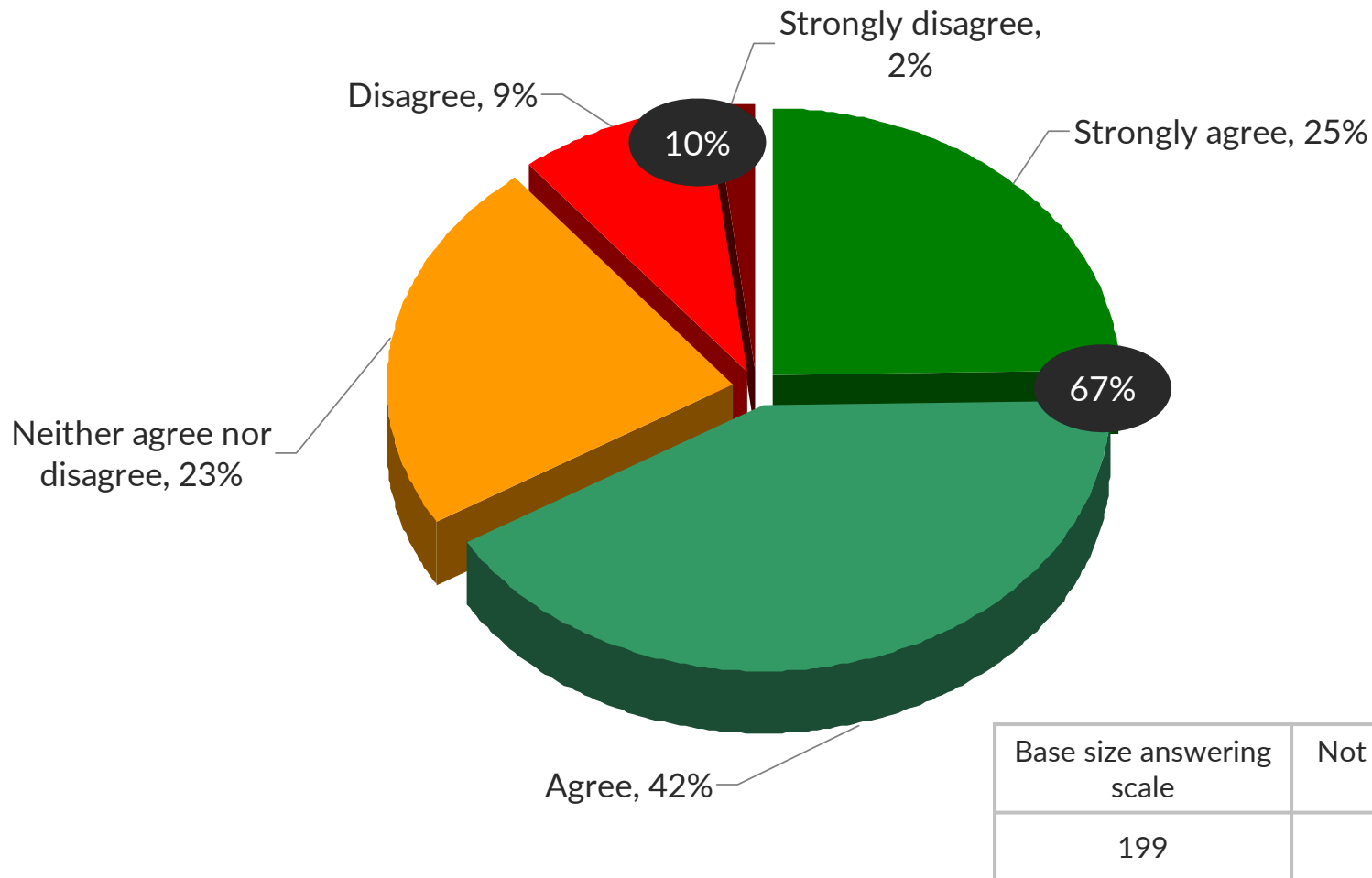




## Objective 3: Supporting a vibrant local economy both urban and rural

### Q7. How much do you agree or disagree with...

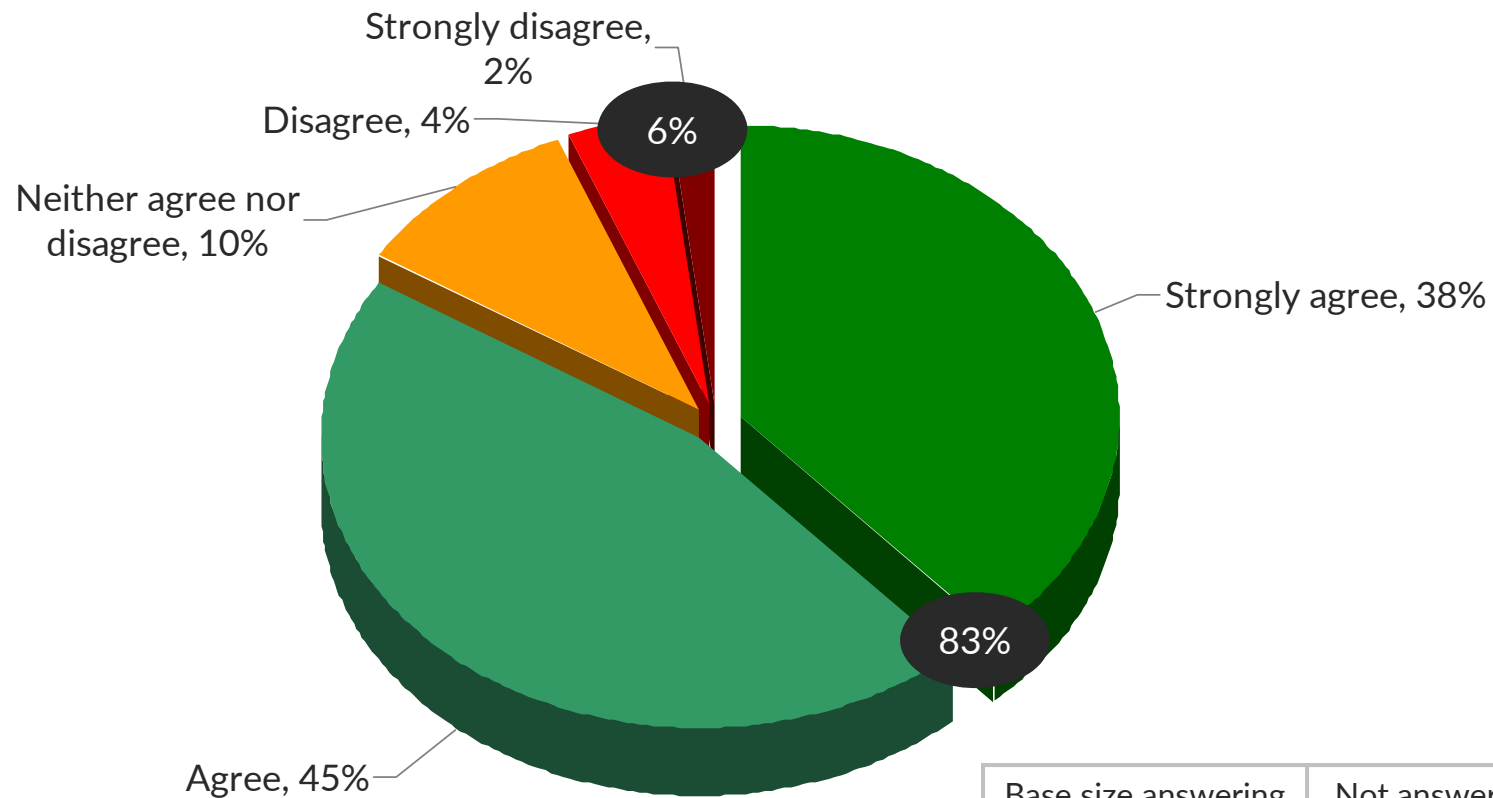
*Our approach to protecting employment sites, creating new business and home-working opportunities and ensuring the District remains a competitive location for businesses.*



**Objective 4: Supporting lively communities with well performing town and village centres that provide a range of services, facilities and infrastructure**

**Q8. How much do you agree or disagree with...**

*Our approach to protecting our existing town centres and local centres.*



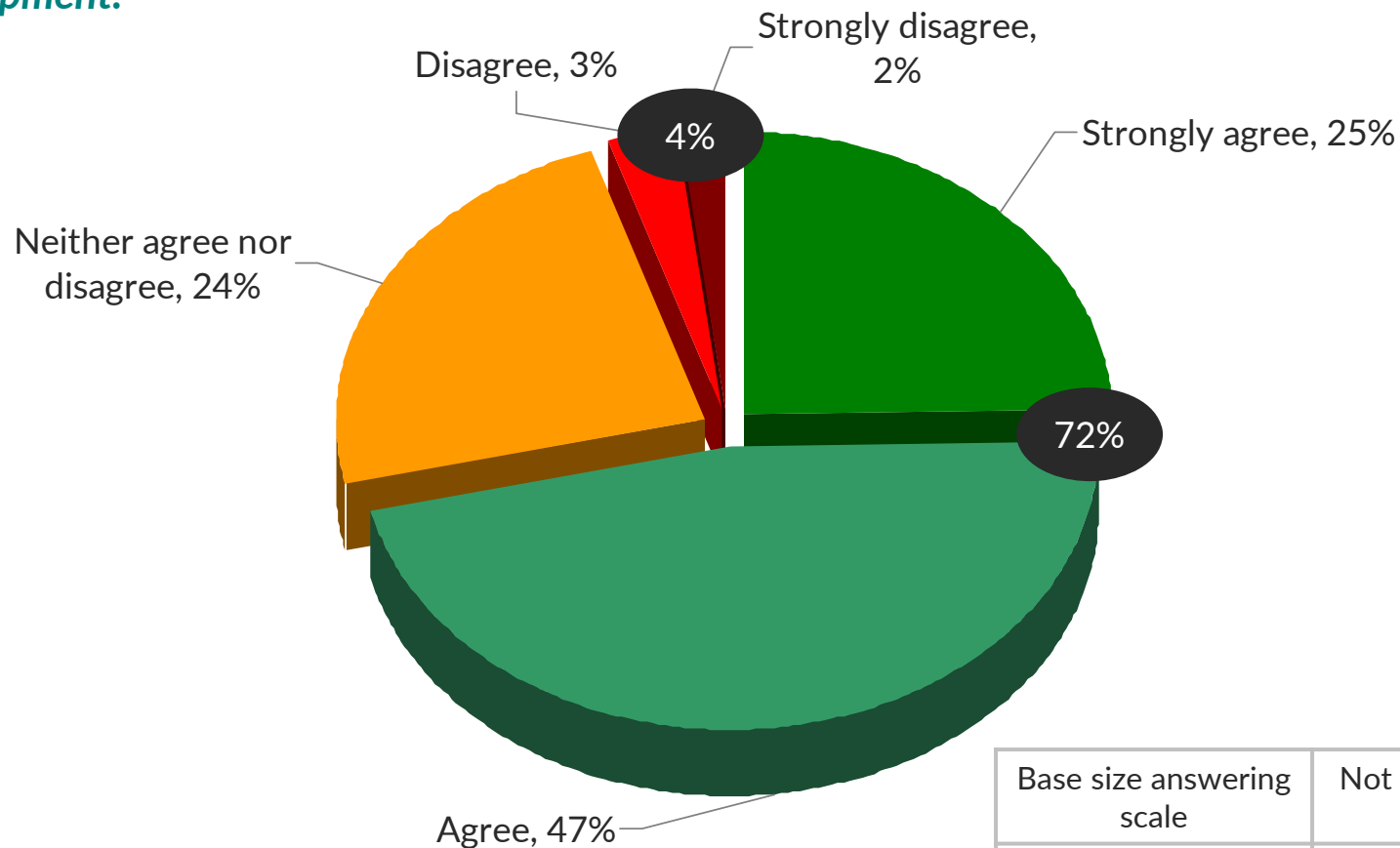
Base size answering scale	Not answered / No opinion
203	23

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

## Objective 4: Supporting lively communities with well performing town and village centres that provide a range of services, facilities and infrastructure

### Q9. How much do you agree or disagree that...

*We should prioritise working closely with other councils, public bodies and service providers to deliver what infrastructure is needed, where it is needed and when it is needed, to support new development.*



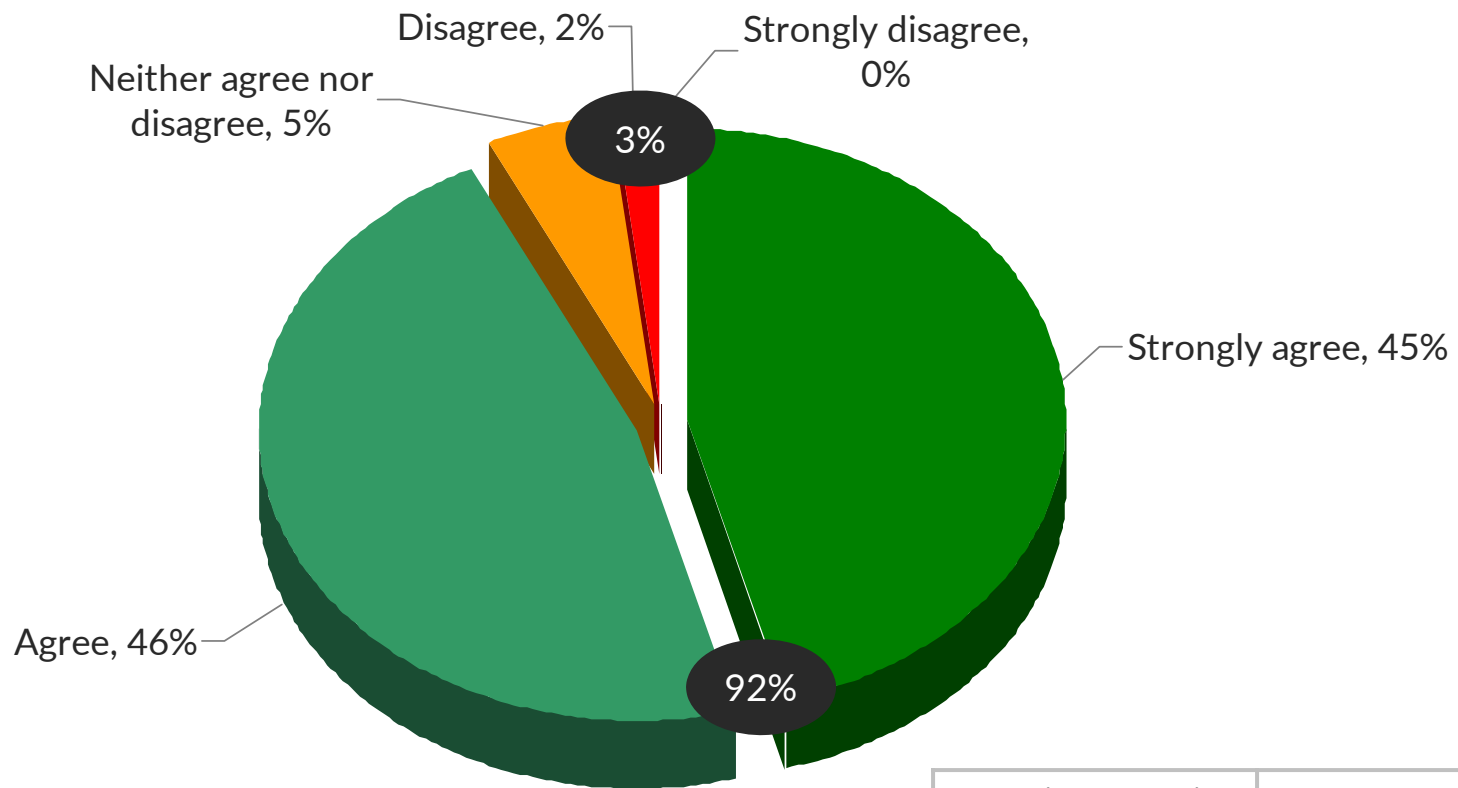
Base size answering scale	Not answered / No opinion
209	17

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

## Objective 5: Promoting healthy living opportunities

### Q10. How much do you agree or disagree with...

*Our approach to encouraging healthy communities.*



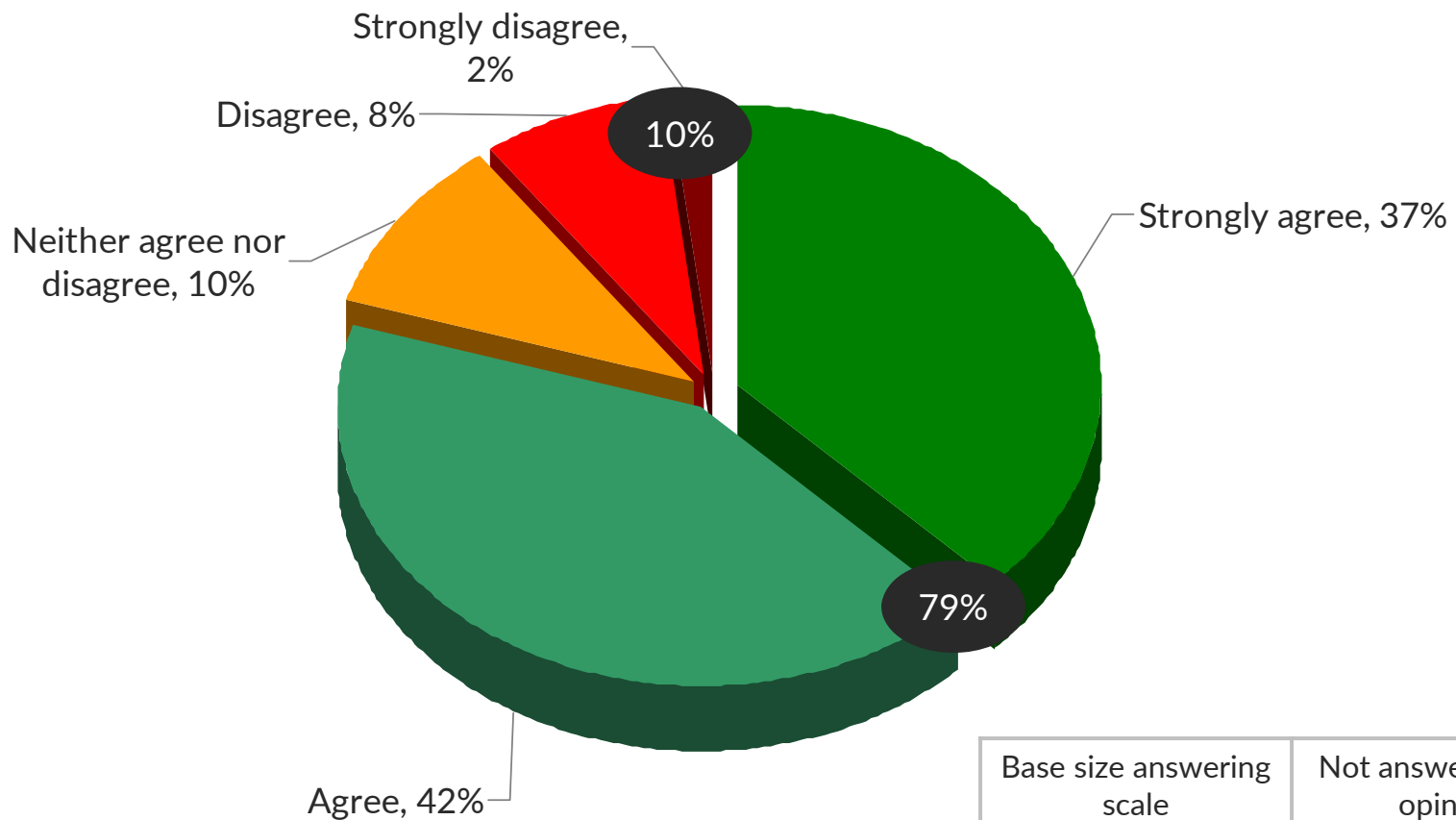
Base size answering scale	Not answered / No opinion
209	17

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

## Objective 5: Promoting healthy living opportunities

### Q11. How much do you agree or disagree with this approach...

*We want to identify important green spaces, within both urban and rural areas.*



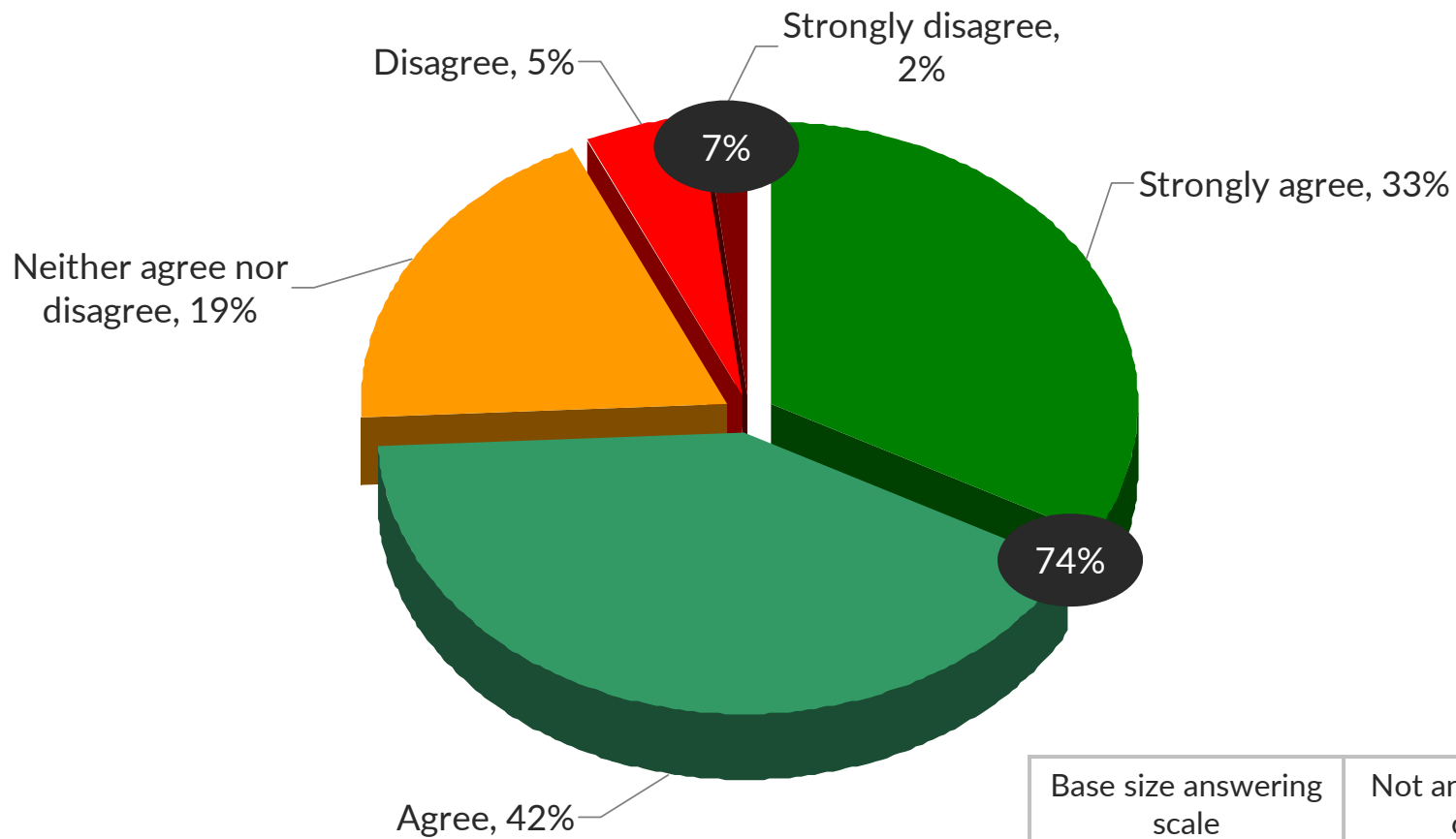
Base size answering scale	Not answered / No opinion
210	16

Base: Various for each question (Not relevant & not answered excluded – original base size 226)

## Objective 6: Promoting a greener future

### Q12. How much do you agree or disagree with ...

*Our approach to promoting a greener future.*



Base size answering scale	Not answered / No opinion
207	19

**Appendix 2: Stakeholder / Organisational responses:**

**Neighbouring authorities:**

LB Bromley  
Dartford Borough Council  
Tandridge District Council  
Tonbridge & Malling Borough Council  
Tunbridge Wells Borough Council  
Maidstone Borough Council  
Kent County Council  
Greater London Authority  
(no responses from LB Bexley, Gravesham or Wealden)

**Town/Parish Councils:**

Badgers Mount Parish Council  
Chevening Parish Council  
Chiddingstone Parish Council  
Edenbridge Town Council  
Eynsford Parish Council  
Leigh Parish Council  
Otford Parish Council  
Seal Parish Council  
Sevenoaks Town Council  
Sevenoaks Weald Parish Council  
Shoreham Parish Council  
Swanley Town Council  
West Kingsdown Parish Council  
Westerham Town Council

**Key Statutory consultees:**

Environment Agency  
Historic England  
Natural England

**Stakeholders (national and local):**

Biffa Waste Services  
Campaign for Real Ale (CAMRA)  
CPRE  
Dartford, Gravesham and Swanley CCG  
Education and Skills Funding Agency  
Forestry Commission  
Fort Halstead Residents Association  
High Weald AONB Unit  
Highways England  
Home Builders Federation  
Kent Downs AONB Unit

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Montreal Park Residents Association  
National Federation of Gypsy Liaison Group  
National Grid  
NHS Property Services  
Sevenoaks Conservation Council  
Sevenoaks Society  
Shoreham Society  
Southern Water  
Sports England  
Stangrove Residents Association  
Thames Water  
The Drive Residents Association  
The Oaks Partnership (Swanley GP Surgery)  
Transport for London  
West Kent CCG  
West Kent Housing Association



## **Appendix 3: Summaries of Key Organisational Responses**

### **Neighbouring authorities**

#### **Tunbridge Wells Borough Council**

Tunbridge wells notes that the Issues and Options document does not impose any direct effect on their borough, however, notes a considerable shortfall in Sevenoaks delivering their OAN and states that they do not have the capacity to accommodate any of our unmet development need.

#### **Tandridge District Council**

Tandridge seek further clarification on our preferred approach with a justification for our reasoning from deviating from the NPPF brownfield definition. This approach has raised concerns with Tandridge due to the sustainability of brownfield sites that are in the Green Belt. They go onto say they to also considered this approach, however they deemed it unsuitable as it would have resulted in a 'scatter gun approach to the green belt' meaning that this approach can lead to sprawl and encroachment on the openness of the Green Belt. They strongly believe that Green belt cannot act as a blanket to override sustainability considerations. Due to the similar characteristics across the two districts they also would like to understand the exceptional circumstances test that we have undergone so a similar approach can be established across the authorities. They also raised concerns around the 'Which Way Westerham' proposal as this would add to traffic travelling to Oxted without any mitigation measures. There is general support form Tandridge around our proposals for employment and are interested in discussing if there is potential for Sevenoaks to help meet Tandridge's need for Travelling Show People.

#### **Tonbridge and Malling Borough Council**

Tonbridge and Malling strongly believe that the characteristics of Sevenoaks District will necessitate some sites to be removed from the Green Belt and they believe there are exceptional circumstances in doing so; this includes the need to deliver growth where it is needed and to provide new opportunities for essential infrastructure. They state that Sevenoaks' approach will leave a significant amount of unmet housing need of up to a third of OAN, which has the potential to increase. They raised concerns over how sustainable Sevenoaks' approach is with brownfield sites in the green belt often being isolated and requiring future residents to travel long distances. In addition, these developments are likely to be much smaller so they will not generate sufficient developer contributions to deliver new infrastructure. They too would also like further clarification on how Sevenoaks will assess exceptional circumstances. It is stated that neighbouring Local Authorities are facing the same challenges and may have to revisit their strategies to ensure as much of the need is delivered as possible. Concerns were also raised from Sevenoaks deviating away from the NPPF definition of brownfield land. They believe that not all options have been fully explored before concluding that the needs cannot be met.

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### **Dartford Borough Council**

Dartford welcomes discussion for potential development options in Swanley due to cross-boundary functional organisational connections, including the shared Clinical Commissioning Group. They believe that the most sustainable approach would be developing around Transport Hubs however because of the lack of government guidance they encourage SDC to determine own criteria to identify transport hubs. They state that with Sevenoaks only meeting half of the unmet housing needs this must be supported by meaningful evidence that explores all options sufficiently before they are discounted. They also note that if land for employment is being looked at in the Green Belt then there needs to be consistency over site selection for all development and Green Belt release considerations. It was also noted by Dartford that by using a definition for brownfield land that deviates from the NPPF, a planning policy test must be fulfilled to ensure development on these sites would not constitute inappropriate development. Dartford also goes on to clarify the judgement ruled on Dartford BC v SSCLG in January 2016, stating that the inspector considered there to be very special circumstances that outweighed harm to the green belt in this particular case and judgement like this can only be made on a case-by-case basis not generally through a local plan. They state that the preferred strategy is currently insufficiently focused on sustainable outcomes, stating sustainable options such as transport hubs and a potential extension of Swanley appear to have been ruled out without a clear rationale as to why.

### **London Borough of Bromley**

Bromley supports our housing approach subject to very clear demonstration of exceptional circumstances. There is general support for our gypsies and travellers approach, and they welcome the possibility of a new secondary school in the district.

### **Maidstone Borough Council**

Maidstone generally supports Sevenoaks' approach, however, advises that the 31 sub areas of Green Belt which were identified as performing weakly against the NPPF should be explored fully before looking outside the district as they are sustainable locations for growth. Maidstone emphasises in their response that Sevenoaks and Maidstone do not share the same Housing Market Area (HMA) or Travel to Work Area (TTWA) and that Sevenoaks should look to their HMA to help meet any development needs that cannot be met within the District. Maidstone state that a small sites policy to enable the council to seek financial contributions on sites of 10 homes and under is not appropriate and would mean sites were unviable which could affect the delivery of the OAN. Maidstone also notes that conversion of offices to residential through permitted development has and will continue to make a significant contribution to overall housing land supply, therefore encourages Article 4 directions where they do not inhibit a positive contribution towards OAN. This outlook is also reiterated in regards to community uses.

### **Greater London Authority**

The GLA directs Sevenoaks to look at their latest population and household projections for all local authorities in England which are now available on the London Data store. They do express concern for Sevenoaks only quantifying a supply of 6,500 homes across the plan period and recommends that Sevenoaks consider aligning their spatial strategy with the GLA's.

### **Kent County Council**

KCC express their support for our preferred approach due to it being a sustainable way of providing houses subject to transport links. They do later state that development in the countryside is complex for Sevenoaks due to large settlements being dispersed across the district. When commenting on the 'exceptional circumstances' that have already come forward, KCC express concern for the Sevenoaks Northern Masterplan regarding the Quarry site due to sustainability and congestion with heavy congestion already at Bat and Ball Junction. KCC believes that the 'Which Way Westerham' proposal would relieve some traffic congestion but would need a robust traffic assessment. Edenbridge proves some concern for KCC due to the town having limited accessibility, with the only road access coming from B roads. However, KCC do express some support for development in Swanley due to good access to road and rail networks. They also support brownfield development due to traffic generation already occurring in these locations. KCC do recommend that Sevenoaks considers key worker housing to include social care workers and they supported the proportion of older person's accommodation stated as affordable housing. It is emphasised that new development should enhance biodiversity value and Public Rights of Way (PRoW) and where possible encourage more. Regarding the district's heritage, KCC states that it would be important for the Local Plan to describe how heritage assets will be conserved and used to improve the quality of life in the district. Also the plan could make reference to the process of a Conservation Area Appraisal so that the composition, significance, vulnerabilities and opportunities offered by the District's Conservation Areas can be properly addressed. KCC states that the potential of heritage in public health is underestimated and more needs to be done to properly measure and evaluate the health outcomes from activities such as heritage-led activities that contribute to improved public health by reducing social exclusion and increasing opportunities for community engagement. KCC are supportive of Sevenoaks' economic development approach and emphasise the importance of incorporating opportunities for smaller businesses, especially start-up units. It is recommended that Sevenoaks have a specific policy regarding the promotion of Fibre to the Premises (FTTP) to maximise the availability of high speed broadband services across the district. KCC stated that there are large variations between areas within the district regarding educational needs and further discussions will be had with Sevenoaks regarding education provision. KCC emphasise the importance of the Infrastructure Delivery Plan (IDP) and a mechanism for reviewing the IDP to respond to various changes that may take place over the plan period. Also a strategy for how that infrastructure is to be funded is essential to ensure the IDP is not simply aspirational but truly deliverable. They propose that a funding strategy which utilises s106 and CIL can be agreed as part of the Local Plan to ensure the infrastructure can be funded and the impact of planned housing on the local infrastructure can be adequately mitigated. KCC requests that any designs include smooth roads and pavements to reduce the number of trips and falls for older

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people, people with mobility issues and wheelchair users, and is considered that appropriate levels of seating areas are provided. They support the approach to flooding in the plan and recommend that additional consideration is had in regards to drainage design. KCC reiterate in their comments that they will work closely with Sevenoaks to ensure that the infrastructure is provided where needed.

### Health Bodies

#### **West Kent CCG**

West Kent CCG made comments in response to the Issues and Options consultation. The CCG notes that the District has issues with an ageing population, and associated conditions such as dementia. It also notes that the District has limited health/medical infrastructure with a number of general practices and a minor injuries unit. While the CCG is concerned that the increase in the population will impact existing medical practices, they have also set out criteria for future investment in their medical practices. The West Kent CCG Local Care Plan states that investment in general practices will be considered and prioritised according to:

- Where there is a identified population need for existing practices; or
- Where a merger of practices or a population growth would support a list of 8,000 patients for a new practice

The CCG recognises that the housing need figure is high for the District, noting that there must be a mixture of the type of housing to accommodate the needs of the population, as well as extra care and specialist dementia housing. The CCG also recommends that the Local Plan looks at providing nursing/residential care home spaces as this will have a significant impact on medical service provision in the District. Reference is also made to the development at Fort Halstead, as this development is considered to significantly impact the level of service at the Otford Medical Practice.

The CCG noted the concepts which have been outlined as potential “exceptional circumstances” cases, including the Northern Sevenoaks Masterplan, Westerham and Edenbridge. The CCG welcomes these approaches, as they aim to address development proactively and identifying the infrastructure requirements. Particular emphasis was placed on their plans to deliver a new medical facility in Edenbridge and outlined that the proposal from their own consultation received significant support.

The CCG has stated that it will continue to work with SDC and others, to ensure that medical and health facilities are delivered in the District as part of the Local Plan 2015-2035.

#### **Dartford, Gravesham & Swanley CCG**

Dartford, Gravesham and Swanley (DGS) CCG made comments in response to the Issues and Options consultation. The CCG has concerns with the pressure being put on their existing general practices. The CCG’s own population projections up to

2039 see a significant rise in area's population, in particular the older persons demographic. The main focus for the CCG is the medical provision that is available in Swanley. They note that the two current surgeries (The Cedars and The Oaks) are near to capacity, looking after 20,500 patients between them. The CCG recognises that Swanley has been considered as a growth area by the SDC's Master Vision and the latest U&I planning application for Swanley Town Centre, noting that to accommodate any additional growth, the health services provided in the area need to be improved and remodelled.

The CCG proposes a "health and well-being hub" within Swanley to help provide better primary care, social and mental health care to the communities, while allowing greater capacity and flexibility to meet the future demands of the growing population. This concept will also link with local hospitals (i.e. St Marys Hospital and the Darent Valley Hospital) building capacity to focus on specialist medical interventions.

Like the West Kent CCG, DGS CCG is committed to continue working with SDC and other partners to ensure that medical and health facilities are delivered in the District as part of the Local Plan 2015-2035.

### **NHS Property Services**

NHS Property Services (NHSPS) made comments in response to the Issues and Options consultation, mainly focusing on two sites; the Edenbridge & District War Memorial Hospital, Edenbridge and the Sevenoaks Hospital, Sevenoaks.

#### *Sevenoaks Hospital, Hospital Road, Sevenoaks*

NHSPS has confirmed that the site is under their ownership and is currently supporting West Kent CCG in reviewing how health services are delivered within the Sevenoaks area. Like the CCGs, NHSPS recognises the rise in population across the new Plan period (up to 2035), and the particular pressures that this might put on existing medical/health facilities. NHSPS also commented on the projected growth of the elderly population, which will require the need for specialist housing as the demographic needs change.

NHSPS states that all organisations involved in commissioning healthcare, are looking to make more effective use of the health estate and support strategies to reconfigure healthcare services, improve the quality of care and ensure that the estate is managed sustainably and effectively.

NHSPS confirmed that a property can only be released for disposal or alternative use by NHSPS once Commissioners have confirmed that it is no longer required for the delivery of NHS services. Therefore, should any part of the subject site be declared as surplus to the operational healthcare requirements of the NHS in the future (decision expected within 5 years), then the site should be considered suitable and available for alternative uses including a range of residential accommodation, depending on the needs of the local community which may include provision for the elderly.

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### Edenbridge & District War Memorial Hospital, Edenbridge

NHSPS has confirmed that the site is under their ownership and is currently supporting West Kent CCG in reviewing how health services are delivered within the Sevenoaks area. Like the CCGs, NHSPS recognises the rise in population across the new Plan period (up to 2035), and the particular pressures that this might put on existing medical/health facilities. NHSPS also commented on the projected growth of the elderly population, which will require the need for specialist housing as the demographic needs change.

NHSPS is working closely with NHS West Kent Clinical Commissioning Group (CCG), Kent Community NHS Foundation Trust and local GP's (**Edenbridge Medical Practice**) to develop a strategy for the future delivery of health services in this area, which would involve the release of certain NHSPS landholdings which are no longer required for the delivery of health services.

While a site has not been selected for a new facility in Edenbridge at present, NHSPS has confirmed that extensive consultation has been undertaken regarding the future of the existing facility. NHSPS confirmed that should the Edenbridge War Memorial Hospital be declared as surplus to the operational healthcare requirements of the NHS by health commissioners in the future (expected within 2 years), then the site could present an excellent opportunity for a modest, residential redevelopment and/or the provision of care home uses.

### Statutory Bodies

#### **Historic England**

Historic England recognised that the Local Plan Issues and Options consultation is the first stage of Local Plan preparation and, as such, difficult to comment on very high-level issues. Historic England notes that it will comment on more specific matters as the Local Plan progresses, detailing draft policies and draft allocations. While the response to the consultation was general, Historic England highlighted a number of policy themes that should be accounted for when considering the historic environment. This also includes any future development management policies, neighbourhood and parish plans, as well as Village Design Statements. These included (but aren't limited to):

- The role of the historic environment supporting the local urban/rural economy and tourism;
- The delivery of transport and infrastructure, while conserving the historic environment and conservation areas; and
- The reuse of historic buildings to assist with the delivery of housing, or the integration of new development within historic areas.

#### **Environment Agency**

The Environment Agency responded to the consultation focusing on three main areas:

1. *Flood Risk (Technical Question T40)*

The Environment Agency supports the inclusion of a Flood Risk Policy within the Local Plan, as well as the consideration flood risk within the proposed Design Supplementary Planning Document. However, the use of both policies should not set precedence to building within the flood plain. The Environment Agency suggests that any further local policy or guidance should supplement national policy and focus on minimising the risk of internal flooding in high risk areas. The Agency also suggests that financial contributions should be sought to mitigate flood risks within developments. The Agency noted that it would welcome further talks with the Squerneys Estate and SDC with regards to any future development in Westerham.

2. *Groundwater and Contaminated Land*

While recognising that the Council's preferred strategy is to use brownfield land, the Agency urges SDC to ensure the necessary and adequate remediation works are taken into account, as well as ensuring that sustainable drainage measures are also addressed.

3. *Fisheries, Biodiversity and Geomorphology*

The Environment Agency strongly suggests that SDC should prepare a full District-wide appraisal of the biodiversity value before allocating sites within the Local Plan. This should also account for any gains that could be achieved through the design of development.

## Natural England

Natural England raised a number of comments with regards to the potential impact on European sites, specifically the Ashdown Forest as a cross boundary issue with regards to air pollution and recreational pressures. Natural England recognises and agrees with the conclusions drawn for the HRA, which states that while the Ashdown Forest lies to the south the District, the number of journeys to and from this European designation would be minimal. Nevertheless, Natural England recommends that the Council look at modelling any potential air quality and transport impacts on the Ashdown Forest.

Further comments were made on specific placemaking areas, highlighting important natural features that should be accounted for within the emerging Local Plan. These include:

- **Upper Darent Corridor** - Westerham Woods (Site of Specific Scientific Interest (SSSI))
- **North East** - Partial Kent Downs Area of Outstanding Natural Beauty (AONB)
- **Sevenoaks Urban Area & Surrounds** - Hubbard's Hill SSSI, partial Sevenoaks Gravel Pits SSSI and Knole Park SSSI.
- **North West (Swanley & Surrounds)** - Partial Kent Downs Area of Outstanding Natural Beauty (AONB)

## Highways England

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Highways England noted that while the Local Plan is at an early stage of development, they would be concerned with any proposals that have the potential to impact the A21, M25, M26 and M20. As there are currently no firm proposals or draft allocations to comment on at this stage, Highways England have confirmed that they are committed to working with SDC throughout the Local Plan process through the Duty to Co-operate. They also confirmed that they levy developer contributions to fund infrastructure improvements through S278 Agreements as opposed to S106 agreements or the Community Infrastructure Levy.

### **Education and Skills Funding Agency**

The Education and Skills Funding Agency (ESFA) is supportive of the vision and objectives relating to developing infrastructure to support the current needs of residents and the future growth of the District. ESFA notes that the District has a lack of secondary schools and notes the cross-boundary issues of secondary education with neighbouring authorities. It supports SDC's commitment to working with KCC and has asked that we continue to consult with the ESFA as the Local Plan progresses. Despite no draft allocations coming forward in the Issues and Options consultation, the ESFA notes the potential support for a secondary school in Edenbridge. ESFA has also urged SDC to consider the safeguarding/ allocation of land for schools where appropriate and where a need is identified. A number of examples of policies across the country were given, which SDC could look at when developing its own policies for the Local Plan. The ESFA is equally supportive of the need to maintain an up-to-date Infrastructure Plan and welcomes the opportunity to part of its preparation.



## **Appendix 4 - Summary of Technical Responses (by Objective)**

### **Objective 1 - Promote housing choice for all**

The main commentary focused on our preferred strategic option for housing delivery - namely increased density in existing settlements, sustainable brownfield land in the Green Belt and greenfield Green Belt land where there is a convincing exceptional circumstances case. There was general support for this approach with a number of caveats.

- There was some concern expressed that higher density development could lead to inappropriate high-rise development
- In relation to brownfield land, many respondents encouraged the use of previously developed land. Others noted that some of this land may be in remote locations and that developing green field land adjacent to settlements may provide a more sustainable pattern of development, when compared to some brownfield sites.
- There was some discussion regarding whether the wider definition of brownfield (to include any previously developed land) was appropriate or whether the exclusions set out in the NPPF (such as agricultural buildings and mineral workings) should apply.
- In relation to the potential exceptional circumstances cases, there was some concern that there is not currently sufficient information available on the different schemes in order to form a judgement
- Some respondents, predominantly developers, objected that the Plan does not currently meet full housing needs, and that other options (transport hubs, garden villages, Fort Halstead etc) should be fully explored

In relation to affordable housing, there was strong support for a continuation of our existing affordable housing policy (of up to 40%), a small sites policy to seek contributions on sites of 10 homes and under and new innovative types of affordable housing.

### **Objective 2 - Promote well designed, safe places and safeguard and enhance the District's distinctive high quality natural and built environments**

General support from stakeholders regarding development of local policy that seeks to enhance the natural and built environment. This ranged from support for local Green Belt guidance, inclusion of biodiversity enhancement and green infrastructure linkages in schemes and development of a Design SPD and Design Panel, whereby an independent panel of experts would review proposed designs to encourage higher quality design in larger and more sensitive developments. Others (primarily developers) highlighted that there needs to be an awareness of viability in relation to these objectives and that there should be flexibility in relation to requirements on smaller sites.

### **Objective 3 - Support a vibrant local economy both urban and rural**

The majority of respondents agreed that the Local Plan should continue to protect local employment sites and should include a 'redevelopment hierarchy' which ensures opportunities for non-residential uses are fully considered before residential schemes, for any proposed redevelopment. In relation to increasing the length of change-of-use marketing required for non-allocated employment sites from 6 to 12 months, there was a mixed response, where some agreed that a longer period of marketing may help retain existing sites, others stated that 6 months marketing is sufficient, whilst others stated that sites in residential areas should be excluded from the marketing requirements. In terms of future employment land needs, the majority of respondents agreed that land should be allocated including through mixed use developments and on brownfield land adjacent to settlements. Kent County Council said that new economic development should be around existing economic hubs. In terms of protection of existing and future office provision (from conversion to residential under permitted development rights), the majority of respondents agreed with the use of Article 4 directions (to remove permitted development rights).

### **Objective 4 - Support lively communities with well performing town and village centres which provide a range of services, facilities and infrastructure**

The majority of respondents agreed that the Local Plan should continue to allocate town centre uses within the District's existing town and village centres, whilst looking to allocate both food and non-food retail floor-space in the District's most sustainable settlements. There was also support for protecting existing town centre uses by the Council asking for more information on a unit's viability and whether all alternative uses were considered before a residential use is considered. A proposal to set a local retail impact assessment threshold of 500m<sup>2</sup> was met with mixed opinion, with some respondents suggesting that the threshold is too low and would be cumbersome for the local planning process. Respondents also suggested that the retail impact assessment, if introduced, should be confined to "main town centre uses". Likewise with Objective 3, there was support from respondents on using Article 4 Directions on town centre uses, where appropriate. Some respondents went further, suggesting that community uses should also be included.

Respondents also support the Council's approach to engage and work with infrastructure providers and partners, to ensure that the infrastructure requirements of the District are met. Some respondents considered that infrastructure should be delivered *before* development takes place, while others said that infrastructure provision should be given greater emphasis during the local plan-making and decision making process. Specific issues were raised regarding traffic congestion, the lack of connectivity with high-speed broadband (especially in rural areas), and current pressure on existing schools and medical practices. Additional comments were also made on how infrastructure should be funded through the S106 agreement or Community Infrastructure Levy process, with some respondents noting that the Infrastructure Delivery Plan will set out the Council's priorities.

### **Objective 5 - Promote healthy living opportunities**

The majority of respondents were supportive that the Local Plan should account for promoting healthier living opportunities. Respondents, including Kent County Council, indicated support for more sustainable transport measures to facilitate healthier living opportunities, whether that be through Travel Plans for individual planning applications or a new Integrated Transport Strategy for the District. Some respondents expressed their support for greater active travel (i.e. walking and cycling) opportunities but expressed that these initiatives should be delivered close to existing services and facilities for short journeys. Many respondents expressed concerns on the over-reliance on private vehicles, leading to traffic congestion, increase in parking issues and increasing issues with air quality. Kent County Council expressed support with the Council's approach for creating healthier communities, while noting that any strategy developed will have to accord with their own strategies and objectives (i.e. Local Transport Plan 4).

In terms of leisure and open space, respondents were supportive, with a number suggesting that where new leisure facilities are required, they should be provided for by the developer (for larger sites) or a financial contribution should be required (mainly on smaller sites). It was also suggested that there should be a mix of equipment which can meet all age groups and needs.

### **Objective 6 - Promote greener future**

There was general support from respondents that the Local Plan should include policy covering flood risk, with a Design Supplementary Planning Document (SPD) outlining local flooding, drainage and SuDs guidance, and covering how development can reduce flood risk and the impact of flooding on development. Some respondents mentioned that this SPD should detail how existing houses can reduce flooding in addition to future development; more specifically how houses can reduce both the rate of surface water run-off and fluvial flooding. Including measures in the Local Plan to ensure that new developments can mitigate and adapt to climate change was supported by all respondents.

### **Place-making areas**

The consensus across all six place-making areas is that the main priority issues are identified in the document; however, some additional issues have been noted by respondents. It was frequently mentioned that the need to protect local services should be identified as a priority across the whole district, with respondents particularly wanting improved broadband connectivity to enable small businesses in more rural locations. The responses indicated a need to acknowledge the impact of the expansion of Bluewater and the development of Ebbsfleet to the north of the district. Sustainable brownfield development across the district is generally supported; however, residential development of brownfield sites that is unrelated to existing settlement boundaries may fail to conserve or enhance the AONB.

The key issues for each place-making area are as follows:

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Place-making area	Key Issues
Upper Darent Corridor	Respondents highlighted a need to encourage small businesses to support the rural economy. Many of the responses focused on 'Which Way Westerham' with concerns regarding the scale of the development and impact on the AONB.
Darent Valley	The respondents supported the priority issues as outlined in the document, however urged for the protection of local services to maintain and grow a strong rural economy.
North East	General support for the regeneration of New Ash Green shopping centre. A few respondents suggested that any leisure activities associated with Brands Hatch should be protected. Some concerns surrounding the housing numbers suggested for West Kingsdown due to its perceived isolated location.
Sevenoaks Urban Area and Surrounds	The priority issues were mainly supported; however, concerns surrounding new development encroaching on the Green Belt and AONB were raised. The responses indicate that maintaining the separation between settlements should be a key priority issue for this area.
South Area	There is general support for the identified priority issues. There are some concerns around releasing Green Belt but recognition that some flexibility may be needed where the Green Belt washes over most of the south area.
North-West	Some concerns relating to the potential intensification of Fort Halstead - impact on nearby villages / AONB. Some concern over the regeneration of Swanley town centre.