

11 January 2018 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks
Despatched: 03.01.2018


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. Minutes To agree the Minutes of the meeting of the Committee held on 7 December 2017, as a correct record.	(Pages 1 - 6)	
2. Declarations of interest Any interests not already registered.		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council, Audit Committee, Scrutiny Committee or Cabinet Advisory Committees		
5. Budget Update 2018/19	(Pages 7 - 40)	Adrian Rowbotham Tel: 01732 227153
6. Calculation of Council Tax Base and other tax setting issues 	(Pages 41 - 48)	Roy Parsons Tel: 01732 227204

 Indicates a Key Decision

 indicates a matter to be referred to Council

EXEMPT INFORMATION

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

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

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

CABINET

Minutes of the meeting held on 7 December 2017 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Firth, Piper and Scholey

Apologies for absence were received from Cllr. Hogarth

Cllrs. Hunter, Pett and McGarvey were also present.

48. Minutes

Resolved: That the minutes of the meeting of Cabinet held on 9 November 2017 be approved and signed as a correct record.

49. Declarations of interest

There were no additional declarations of interest.

50. Questions from Members

There were no questions from Members.

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

There were none.

52. Sale of Council owned land

The Chief Finance Officer presented the report which provided details on two areas of land that were owned by the Council and proposed to be sold. The report sought approval to the sale of the 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.

Public Sector Equality Duty

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

Resolved: That

- a) the areas of land detailed in the report be declared surplus to the Council's requirements and sold; and
- b) approval for the final terms of sale be delegated to the Portfolio Holder for Finance in consultation with the Chief Finance Officer and Head of Economic Development & Property.

53. Budget Update 2018/19

The Portfolio Holder for Finance introduced the report and explained that the Advisory Committees had discussed growth and savings suggestions and further growth had also been identified. Looking at the savings made in recent years he believed that services that were shared with other councils have not been impacted as much as other services. Therefore, he thought it would be sensible to have an emphasis on looking for savings in services that were currently shared with at least £50,000 being delivered from these services.

The Chief Finance Officer presented his report and a relevant minute extract from the Planning Advisory Committee held on 23 November 2017 was tabled for information as an addendum to the report.

The report set out progress made in preparing the 2018/19 budget and he explained that during the budget process the position remained fluid as more information became available.

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

It was noted that some assumptions in the budget may change as it is expected that the staff pay award for 2018/19 and 2019/20 will be 2% rather than 1%. It is also expected that the Council Tax referendum limit will again be the higher of 2% or £5 for a Band D equivalent property.

The Cabinet would 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.

Public Sector Equality Duty

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

Resolved: That

Cabinet - 7 December 2017

- a) Cabinet supports SCIA's 1 to 8 as listed in Appendix D;
- b) the approaches below, to each suggestion from the Advisory Committees, be agreed:
 - i) the following be considered for this budget cycle and SCIA's presented to Cabinet on 11 January 2018

Growth

Vehicle Replacement Fund (Direct & Trading Advisory Committee (DTAC))
 Planning staffing (Planning Advisory Committee (PAC))

Savings

Reduction in the cost of the leisure contract (Health & Housing Advisory Committee (HHAC))
 Planning application fees, Building Control fees, CIL monitoring income (PAC);

- ii) the following items be kept on the list for future investigation

Growth

Broadband improvements (Policy & Performance Advisory Committee (PPAC))
 Reinstatement of the Big Community Fund or something similar (PPAC)
 Investment in skills training (PPAC but Economic & Community Development Advisory Committee (ECDAC) remit)
 Improved start up business accessibility, e.g. seed funding (PPAC but ECDAC remit)
 Improved district event and activity promotion (PPAC)
 Encourage development of derelict sites (PPAC but ECDAC remit)
 Redevelop housing in obsolete shopping centres (Finance Advisory Committee (FAC))

Savings

Additional property acquisitions/developments (PPAC)
 Investigate further shared services opportunities within this portfolio's terms of reference (PPAC)
 External communications (social and online) (PPAC)
 Look at ways to reduce corporate management further (PPAC)
 Set up a bank (mobile/local) (PPAC)
 Become a social landlord for young workers
 Explore options regarding moving from Argyle Road to a lower cost site (FAC)
 Explore development potential at Sevenoaks Bus Station (FAC)
 Review Estates Management to increase net income (FAC);

- iii) no further action be taken on the following

Savings

More incentives for Members to go paperless (FAC);

- c) Officers identify further savings options to be included in the Budget Update report to Cabinet on 11 January 2018; and
- d) the Council Tax increase assumption for 2018/19 and 2019/20 be increased from 2% to £4.95 for a Band D equivalent property.

54. Treasury Management Mid-Year Update 2017/18

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 fulfilled the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

It was confirmed that there was flexibility within the budget to adapt to the changing financial climate and it was advised by the Portfolio Holder for Finance that the 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 Treasury Management Mid-Year Update for 2017/18, be approved.

55. Financial Results 2017/18 - to end of September 2017

The Portfolio Holder for Finance introduced the report and the Acting Head of Finance explained that it set out 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. Cabinet noted that it was pleased to have this variance under control.

The Portfolio Holder for Finance advised that the 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

- a) the report be noted; and
- b) 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.

56. Pre Application Advice Fees

The Chief Planning Officer presented the report which proposed to increase charges for pre-application advice from 1 January 2018 as detailed in Appendix A to the report.

Members considered whether the increase in fees would lead to a fall in the use of the Pre-Application Advice service. The Chief Planning Officer confirmed that this would be monitored. Members discussed the impact of permitted development upon the need for pre-application advice and the need for such advice to be recorded well.

The Portfolio Holder for Planning advised that the 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 proposed changes to the pre-application charges as set out in Appendix A to the report be agreed for implementation from 1 January 2018.

57. Local Plan - issues and options- consultation update

The Portfolio Holder for Planning introduced the Planning Policy Team Leader who presented the report updating members on the findings of the recent Local Plan Issues and Options consultation which ran from 3 August to 5 October 2017 and would inform the production of the draft Local Plan. A further round of public consultation would be carried out next spring. It was noted that the consultation was the largest of its kind undertaken by the Council.

It was noted that the Council had received over 15,000 responses to the household survey, representing a 30% response rate. Members noted that the older demographic had responded in more significant numbers than other age groups.

It was noted that numerous events and workshops had been held over the nine-week consultation period to fully engage members of the public and other stakeholders. Members noted that the level of engagement was very encouraging

and would allow a Plan to be drafted that reflected the views and aspirations of the local community.

Members noted the nature of the responses in respect of various proposals for development and considered the impact of specifying a proposed development density upon the operation of the Plan once adopted. Members also considered the necessity to communicate the findings of the consultation in an acceptable form.

The Chairman of the Planning Advisory Committee advised that the 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 report be noted.

THE MEETING WAS CONCLUDED AT 8.30 PM

CHAIRMAN

IMPLEMENTATION OF DECISIONS

This notice was published on 8 December 2017. The decisions contained in Minutes 52 and 56 take effect on 18 December 2017. The decisions contained in Minutes 53, 54, 55 and 57 take effect immediately.

BUDGET UPDATE 2018/19

Cabinet - 11 January 2018

Report of Chief Finance Officer

Status For Consideration

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.

The Provisional Local Government Finance Settlement was announced on 19 December 2017. The two most relevant elements for this Council were that the Council Tax increase referendum limit for 2018/19 has been increased from 2% (or £5 if higher) to 3% (or £5 if higher) and that the Kent and Medway Business Rates Retention Bid for 2018/19 was successful.

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.

Please note that due to additional information expected to become available and work continuing on savings proposals, updated versions of some appendices may be provided prior to the meeting.

Portfolio Holder Cllr. John Scholey

Contact Officers Adrian Rowbotham, Ext. 7153
Alan Mitchell, Ext. 7483

Recommendation to Cabinet:

- (a) Members give consideration to the growth and savings proposals in Appendix E and the current budget position and then provide officers with any further instructions.
 - (b) That the Council Tax increase assumption for 2018/19 be increased from
-

2.44% to 2.97% (£4.95 to £6.03 pa for a Band D equivalent property) and for 2019/20 be reduced from 2.38% to 2% (£4.95 to £4.18 pa for a Band D equivalent property).

Introduction and Background

- 1 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.
- 2 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between September and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which were considered at the Cabinet meeting on 7 December 2017.
- 3 The report to Cabinet on 7 December 2017 also contained updates to the Financial Prospects report.
- 4 This report sets out the current position for the 2018/19 budget and updates Members on key financial information received since the last report, including the Provisional Local Government Finance Settlement announced on 19 December 2017.
- 5 The Council's successful approach to its finances was recognised nationally during 2017 by being crowned 'Innovator of the Year' and also the overall winner at the CIPFA Public Finance Innovation Awards.

Financial Self-Sufficiency

- 6 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.
- 7 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.
- 8 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.
- 9 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'.

- 10 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.
- 11 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

- 12 The Financial Prospects report considered in September raised a number of financial risk areas for the Council. These were updated in the December report but further information has been received since which is explained below.
- 13 ***The Provisional Local Government Finance Settlement*** for 2018/19 was announced on 19 December 2017. The two most relevant elements for this Council were that the Council Tax increase referendum limit for district councils for 2018/19 has been increased from 2% (or £5 if higher) to 3% (or £5 if higher) and that the Kent and Medway Business Rates Retention Bid for 2018/19 was successful.
- 14 ***Government Support: Revenue Support Grant (RSG)*** (£nil received in 2017/18) - As previously assumed, this council no longer receives Revenue Support Grant from 2017/18.
- 15 ***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.

Agenda Item 5

New Homes Bonus (estimated amounts)

2018/19	£1.320m
2019/20	£1.152m

- 16 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.
- 17 **Council Tax** (£10.0m) - At the Cabinet meeting on 7 December 2017 Members recommended to increase the Council Tax increase assumption for 2018/19 and 2019/20 from 2% to the expected referendum limit of 2.44% and 2.38%. However, in the Local Government Finance Settlement it was announced that the referendum limit for 2018/19 was being increased to 3% (or £5 if higher) in line with current inflation.

Council Tax Increase Assumptions	Original Assumptions	Cabinet 07/12/17 Assumptions	Proposed Assumptions
2018/19 %	2.00%	2.44%	2.97%
2018/19 £ (Band D pa)	£4.06	£4.95	£6.03
2019/20 %	2.00%	2.38%	2.00%
2019/20 £ (Band D pa)	£4.14	£4.95	£4.18

- 18 The proposed assumptions include the maximum increase for 2018/19 but reducing the 2019/20 increase back down to 2%. These proposals would result in Band D Council Tax increasing from £202.77 in 2017/18 to £208.80 in 2018/19 and £212.98 in 2019/20.
- 19 Due to the uncertainty of future Council Tax increase referendum limits, if maximum increases are not taken there will be an ongoing detrimental impact on the ability to increase Council Tax in future years.
- 20 The 2017/18 Council Tax Base has increased from 49,680.5 to 50,204.1 Band D equivalent properties. That is an increase of 523.6 (1.05%) which is below the assumed increase of 580 (1.17%).
- 21 This is the lowest increase in Kent for 2018/19 and this council also has the lowest cumulative increase over the last five years. If increases continue to be low, there will be an on-going pressure on services to make compensating savings.

Council Tax Base Increases	2018/19	2014/15 - 2018/19
Sevenoaks DC	1.05%	4.77%
Kent average	2.16%	8.62%
Kent highest	3.82%	13.40%

- 22 There was an announcement in the Government’s Autumn Budget regarding giving councils the ability to reduce empty property discounts from 2019/20. A separate report will be presented to Members prior to any changes to discounts being made but the attached 10-year budget assumes that an additional £65,000 of Council Tax will be received from 2019/20.
- 23 The Collection Fund position, which is where Council Tax and Business Rates income is initially held before being distributed, will be reviewed in January. It is currently estimated that there will be additional one-off income in 2018/19 of £244,000.
- 24 **Business Rates Retention** (£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 Government to introduce 100% Business Rates Retention since before the 2015 General Election. The Department for Communities and Local Government (DCLG) invited local authorities to participate in a pilot of Business Rates Retention in 2018/19. A Kent and Medway pilot bid was submitted including Sevenoaks, which was agreed by Cabinet on 12 October 2017.
- 26 It was announced in the Provisional Local Government Finance Settlement that the Kent and Medway pilot bid was one of ten successful bids. Initial calculations included in the bid suggest that this council could retain £3.06m. However, following the settlement, further work needs to be completed to provide an up to date estimate. The actual amount retained will depend on Business Rates collections levels across the county during the year.
- 27 The pilot is for one year only and it is uncertain what will happen in 2019/20 as the Government has announced that 75% Business Rates Retention (rather than 100%) will not fully commence until 2020/21 when amounts will also be re-based.
- 28 Revised ‘safety-net’ amounts were included in the settlement which have been included in the attached 10-year budget. The 2018/19 figure is £95,000 higher than the amount announced last year but the 2019/20 figure is £32,000 lower.

Agenda Item 5

Business Rates Safety-Net

2018/19	£2.150m
2019/20	£2.096m

29 The settlement continued to include an indicative ‘tariff adjustment’ amount of £1.083m in 2019/20. This is in effect a negative Revenue Support Grant. 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.

30 Due to the uncertainty around Business Rates Retention, the following changes to the 10-year budget have been made that have no overall impact with the balance being transferred to the Budget Stabilisation Reserve.

Business Rates Retention changes to the 10-year Budget	2018/19 Impact £000	10-year Budget Impact £000
Revised Safety-Net	(95)	211
Business Rates Retention pilot 2018/19	(910)	(910)
Transfer to Budget Stabilisation Reserve	699	699
Total	(306)	0

31 **Pay costs** (£15m) - The ‘National Employers for Local Government Services’ have announced their final pay offer to the unions of a 2% increase in both 2018/19 and 2019/20. The previous assumption in the 10-year budget was for a 1% increase in both years based on the previous Government announcement, and a 2% increase in later years. The attached 10-year budget has been amended to reflect a 2% increase in both 2018/19 and 2019/20.

32 **Superannuation Fund** - Following the last triennial valuation of the superannuation fund for 2017/18, a £200,000 increase was included in the 10-year budget from 2020/21, the year of the next valuation. Recent information suggests that funds are performing better than previously expected, therefore the increase has been reduced to £100,000 in the attached 10-year budget.

33 **Use of Reserves** - Ensuring the adequacy and sustainability of the Council’s reserves continues to be a key part of the budget process. A detailed review of reserves will be included in the February Cabinet report.

34 **Growth and Savings** - The items supported by Cabinet on 7 December 2017 delivered the net saving of £100,000 included in the 10-year budget for 2018/19.

- 35 Further growth and savings are listed in Appendix D and detailed Service Change Impact Assessments (SCIAs) are included at Appendix E.

Current Budget Position

- 36 The 10-year budget (Appendix B) shows a fully funded 10-year position. However, Appendix D shows that the current total of changes made since Council agreed the previous budget in February, is a worse position of £1.074m over the 10-year period (or £107,000 per annum).
- 37 Officers are continuing to look to identify further savings to close the gap and an updated version of Appendix D is likely to be available before the meeting. Additional income from Planning application fees is expected to be included together with an increase in Planning staff costs.
- 38 Members are asked to give consideration to the growth and savings proposals in Appendix E and the current budget position and then provide officers with further instructions.

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

Agenda Item 5

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.

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.

Appendices

Appendix A - Budget Timetable

Appendix B - 10-year Budget

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

Appendix D - Summary of changes to the 10-year Budget

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

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 \(SCIAs\)](#)

[Report to Cabinet 7 December 2017 - Budget Update 2018/19](#)

Adrian Rowbotham

Chief Finance Officer

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2018/19 Budget Setting Timetable

	Date	Committee
Stage 1		
Financial Prospects and Budget Strategy 2018/19 and Beyond	5 September	Finance AC
	14 September	Cabinet
↓		
Stage 2		
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
↓		
Stage 3		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	7 December	Cabinet
↓		
Stage 4		
Budget Update (incl. Government Settlement information)	11 January	Cabinet
↓		
Stage 5		
<i>Budget Update and further review of Service Change Impact Assessments (if required)</i>	<i>January - February</i>	<i>Advisory Committees</i>
↓		
Stage 6		
Budget Setting Meeting (Recommendations to Council)	6 February	Cabinet
↓		
Stage 7		
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
Expenditure											
Net Service Expenditure c/f	13,689	14,470	14,798	15,076	15,428	15,809	16,184	16,566	16,953	17,345	17,742
Inflation	494	727	559	650	467	475	482	487	493	497	506
Superannuation Fund deficit and staff recruitment & retention	300	0	0	100	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>	0	198	15	(51)	0	0	0	0	0	0	0
<i>New savings/Income</i>	0	(170)	(110)	(115)	(100)	(100)	(100)	(100)	(100)	(100)	0
Net Service Expenditure b/f	14,470	14,798	15,076	15,428	15,809	16,184	16,566	16,953	17,345	17,742	18,249
Financing Sources											
Government Support											
: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(10,013)	(10,420)	(10,816)	(11,157)	(11,508)	(11,869)	(12,239)	(12,619)	(13,010)	(13,411)	(13,798)
Business Rates Retention	(1,990)	(3,060)	(2,096)	(2,138)	(2,181)	(2,225)	(2,270)	(2,315)	(2,361)	(2,408)	(2,456)
Collection Fund Surplus	0	(244)	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)	346	(353)	(353)	(353)	(179)	(179)	(635)	148	148	148
Total Financing	(12,986)	(14,243)	(14,700)	(15,083)	(15,477)	(15,708)	(16,223)	(17,148)	(16,802)	(17,450)	(17,885)
Budget Gap (surplus)/deficit	1,484	555	376	345	332	476	343	(195)	543	292	364
Contribution to/(from) Stabilisation Reserve	(1,484)	(555)	(376)	(345)	(332)	(476)	(343)	195	(543)	(292)	(364)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

Assumptions	
Revenue Support Grant:	nil all years
Business Rates Retention:	Business Rates Retention pilot estimate in 18/19, safety-net in 19/20 plus 2% in later years
Council Tax:	2.97% in 18/19, 2% in later years
Council Tax Base:	Increase of 580 Band D equivalent properties per annum in 19/20 - 26/27, 480 from 27/28
Interest Receipts:	£130,000 in 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:	2% in all 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
		Direct and Trading Advisory Committee										
2016/17	8	Playgrounds: Reduction in asset maintenance (reversal of temporary saving item)									7	
2016/17	9	Public Conveniences: Reduction in asset maintenance (reversal of temporary saving item)									8	
		Economic and Community Development Advisory Committee										
		No savings or growth agreed from 2018/19 onwards										
		Finance Advisory Committee										
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)		
		Housing and Health Advisory Committee										
		No savings or growth agreed from 2018/19 onwards										
		Legal and Democratic Services Advisory Committee										
		No savings or growth agreed from 2018/19 onwards										
		Planning Advisory Committee										
		No savings or growth agreed from 2018/19 onwards										
		Policy and Performance Advisory Committee										
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)	
		Total Savings	(2,984)	(841)	(314)	(479)	(533)	(721)	(372)	(427)	(359)	(7,030)
		Total Growth	371	45	50	327	177	309	359	0	(45)	1,593
		Net Savings	(2,613)	(796)	(264)	(152)	(356)	(412)	(13)	(427)	(404)	(5,437)

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Summary of Changes to the 10-year Budget

Appendix D

SCIA Year	Advisory Committee No.	Description	Year	Ongoing	2018/19 Impact £000	10-year Budget Impact £000
Savings supported by Cabinet 07/12/17 (detailed SCIA's were included in the previous report)						
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)
2018/19	4	LDSAC Electoral Registration - reduced postage costs	2018/19	Yes	(2)	(20)
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)
Sub Total					(80)	(1,010)
Remove 2018/19 new savings target					100	1,000
Assumption Changes:						
Pay inflation: 2018/19 increase from 1% to 2%					142	1,550
Pay inflation: 2019/20 increase from 1% to 2%					0	1,411
Council Tax: 2018/19 increase from 2% to 2.97%					(99)	(1,140)
Council Tax base: actual figure for 2018/19					12	131
Council Tax: reduce empty property discounts from 2019/20					0	(631)
Collection Fund surplus: 2018/19 one-off					(244)	(244)
Superannuation Fund deficit: 2020/21 reduce growth from £200,000 to £100,000					0	(800)
Business Rates: revised safety-net					(95)	211
Business Rates: 2018/19 Retention pilot					(910)	(910)

Summary of Changes to the 10-year Budget

Appendix D

SCIA Year	Advisory Committee No.	Description	Year	Ongoing	2018/19 Impact £000	10-year Budget Impact £000
		Business Rates: contribution to Budget Stabilisation Reserve			699	699
		Sub Total			(495)	277
Growth:						
2018/19	9	DTAC		Vehicle Replacement Fund: top up	47	470
2018/19	10	FAC		Asset Maintenance: increase	50	500
2018/19	11	FAC		Members Allowances: increase following JIRP review	0	135
2018/19	12	PPAC		Land Charges: income below budget	50	500
2018/19	13	PPAC		IT Developers: funding for two years	51	102
		Sub Total			198	1,707
Savings:						
2018/19	14	FAC		Audit fees: reduction in fees	(30)	(300)
2018/19	15	FAC		Shared Services: efficiency savings	(50)	(500)
2018/19	16	HHAC		Leisure contract: reduced management fee	(10)	(100)
		Sub Total			(90)	(900)
Total Change to 10-year Budget					(367)	1,074

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 09 (18/19)

Chief Officer:	Richard Wilson	Service:	Fleet Management
Activity	Vehicle replacement fund	No. of Staff:	N/A

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Top up diminishing vehicle replacement fund (revenue)	47	Ongoing

Reasons for and explanation of proposed change in service

To increase the vehicle replacement fund balance to offset the impact of inflation since its inception (In 2000). An annual revenue injection of £47,000.

Key Stakeholders Affected

Fleet Vehicle users

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

Maintains the vehicle replacement fund to adequate levels to support ongoing fleet vehicle replacements, to maintain statutory services.

Risk to Service Objectives (High / Medium / Low)

High

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	548	Code & Description	Actual	Target
Income	-	None.		
Net Cost	548			

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

SCIA10 (18/19)

Chief Officer:	Richard Wilson	Service:	Asset Maintenance
Activity	Asset Maintenance	No. of Staff:	0.83 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Asset Maintenance	50	Ongoing

Reasons for and explanation of proposed change in service

Increase annual spend on council owned premises to ensure they are kept to a good standard. Asset Maintenance is currently funded at 30% of the existing 10 year maintenance assessment, this growth item will increase the funding level to 33%.

A separate Capital Programme and Asset Maintenance 2018-21 report will be presented to the Finance Advisory Committee on 30/01/18 and Cabinet on 06/02/18.

Key Stakeholders Affected

Users of council owned premises.

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

Further funding will be available to spend on maintaining and improving council owned premises.

SERVICE CHANGE IMPACT ASSESSMENT

Risk to Service Objectives (High / Medium / Low)

Medium

2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	519			
Income	-			
Net Cost	519			

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

SCIA11 (18/19)

Chief Officer:	Adrian Rowbotham	Service:	Members Allowances
Activity	Members Allowances	No. of Staff:	N/A

Activity Budget Change	Year: 2019/20 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Members Allowances	15	Ongoing

Reasons for and explanation of proposed change in service

A Joint Independent Remuneration Panel (JIRP) carried out a review on Members Allowances. The purpose of the JIRP review is to carry out the quadrennial update of Members’ allowances required by legislation, taking into account Members’ workload, responsibilities and required time commitment and then to recommend a fair level of recompense for those commitments.

The findings of the JIRP were presented to both the Governance Committee and Council on two occasions culminating in Council on 21/11/17 approving a new scheme based on the JIRP findings but starting after the next District Council election in 2019.

Key Stakeholders Affected

Members

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

Remuneration for Members is intended to ensure that there are no avoidable obstacles preventing people from taking part in the work of the Council. Therefore, the level of remuneration needs to be at an appropriate level.

Risk to Service Objectives (High / Medium / Low)

Low

SERVICE CHANGE IMPACT ASSESSMENT

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	386	Code & Description	Actual	Target
Income	-	N/A		
Net Cost	386			

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

SCIA12 (18/19)

Chief Officer:	Jim Carrington-West	Service:	IT Services
Activity	Land Charges	No. of Staff:	3 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Land Charges Income	50	Ongoing

Reasons for and explanation of proposed change in service

Income from the Land Charges service is below budgeted targets due to volumes of requests not keeping up with increasing expectations. Whilst the charging structure is due to be reviewed, there is still a proportion of the current target that will remain unachievable based on current/predicted volumes.

Key Stakeholders Affected

None

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

No direct service impact but a budget impact. Without this growth item seeking to more realistically align income expected with actual income there will be a continued shortfall in budget achievement.

Risk to Service Objectives (High / Medium / Low)

High

SERVICE CHANGE IMPACT ASSESSMENT

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	103	Code & Description	Actual	Target
Income	(250)			
Net Cost	(147)			

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

SCIA13 (18/19)

Chief Officer:	Jim Carrington-West	Service:	IT Services
Activity	IT Development	No. of Staff:	17 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Part funding for IT Development resource	51	Two years only

Reasons for and explanation of proposed change in service

Additional IT Development resource was brought in to enable the organisation to move forward with digital services, wrapped around customer need. The intention is for this work to deliver subsequent efficiencies and therefore savings.

Due to the nature of the work and timescales for delivery and then subsequent efficiencies to be realised, this saving is not likely to be achieved immediately but will start from 2020/21 therefore a two year growth item is requested.

Key Stakeholders Affected

Customers of the Council

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

No direct service impact but a likely budget impact. Work continues to progress in this area, without this growth item, budgets are likely to be overspent by £51,000 as equivalent savings would not have been accrued.

Risk to Service Objectives (High / Medium / Low)

Medium

SERVICE CHANGE IMPACT ASSESSMENT

2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	1,027			
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 14 (18/19)

Chief Officer:	Adrian Rowbotham	Service:	Finance
Activity	External Audit	No. of Staff:	-

Activity Budget Change	2018/19 Saving £000	Later Years Comments
Reduction in audit fees budget	(30)	Ongoing

Reasons for and explanation of proposed change in service

The council has steadily reduced the budget it holds to meet the cost of its external audit fees over recent years.

With the council’s recent agreement to continue to procure external audit services from a nationally agreed contract further savings can be sustained in audit fees budget.

This SCIA is an extension of the three year saving agreed for 2015/16 (2015/16 SCIA10) and in addition to an ongoing saving of £17k per annum agreed as part of the budget setting process for 2017/18.

Key Stakeholders Affected

None

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

The decision to reduce the budget for audit fees presents a low risk to the council. Sufficient budget will be retained to meet current and expected future costs.

Risk to Service Objectives (High / Medium / Low)

Low

2017/18 Budget	£'000	Performance Indicators		
Operational Cost	73	Code & Description	Actual	Target
Income	-	None		
Net Cost	73			

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

SERVICE CHANGE IMPACT ASSESSMENT

on end users.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA15 (18/19)

Chief Officer:	Adrian Rowbotham	Service:	Shared Services
Activity	Shared Services	No. of Staff:	78.58 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Shared Services	(50)	Ongoing

Reasons for and explanation of proposed change in service

The council shares a number of services with other councils. These services have not been as greatly impacted by savings as other services in recent years due to the intention to expand the number of partners.

Apart from Licensing, it has not been possible to expand the other services and it appears unlikely to be able to expand them in the near future. Therefore, following a review of all shared service budgets the focus will be on Revenues and Benefits to achieve the required saving.

Key Stakeholders Affected

Users of shared services.

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

The intention is to identify efficiency savings that do not have a detrimental impact on current service performance.

SERVICE CHANGE IMPACT ASSESSMENT

Risk to Service Objectives (High / Medium / Low)

Medium

2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	2,679			
Income	(1,675)			
Net Cost	1,004			

Equality Impacts

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

SERVICE CHANGE IMPACT ASSESSMENT

SCIA16 (18/19)

Chief Officer:	Lesley Bowles	Service:	Leisure
Activity	Leisure Contract	No. of Staff:	0.5 FTE

Activity Budget Change	Year: 2018/19 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Leisure Management Contract	(10)	ongoing

Reasons for and explanation of proposed change in service

The original management fee, paid annually to Sencio, in 2004/05 was £486,000. This reduced over time to £80,950 in 2012/13 and a further £44,000 reduction was implemented in 2017/18. This followed a Scrutiny Working Group recommendation that the management fee be reduced and was approved as part of the budget process for 2017/18.

In addition to the Management Fee, the Council also pays an annual contribution of £20,000 towards 'Advantage', a concessionary scheme that offers reduced rates for leisure activities.

During 2017/18, a loan of £600,000 was approved by the Council to Sencio at an interest rate of 6% per annum over a period of 10 years. This was to enable Sencio to make improvements to Sevenoaks Leisure Centre, which would in turn, increase Sencio's income. The business plan for this project shows that the annual costs incurred as part of this project, additional running costs and a loan repayment will be more than offset by additional income. This is estimated by Sencio at £18,067 in Year 1, rising to £112,127 in Year 2.

The improvements to Sevenoaks Leisure Centre should be completed early in 2018.

Key Stakeholders Affected

Users of the Council's leisure centres and Lullingstone golf course

SERVICE CHANGE IMPACT ASSESSMENT

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

Sencio Community Leisure’s financial year runs from January to December. Consequently their budget for 2018 has already been planned and takes account of a £10k reduction in the Management Fee.

Risk to Service Objectives (High / Medium / Low)

Medium

2017/18 Budget	£'000	Performance Indicators		
		Code & Description	Actual	Target
Operational Cost	40			
Income	-			
Net Cost	40			

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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Calculation Of Council Tax Base And Other Tax Setting Issues

Cabinet - 11 January 2018

Report of the: Chief Finance Officer

Status: For Decision

Also considered by: Council - 20 February 2018

Key Decision: No

Executive Summary:

This report sets out details of the calculation of the District's tax base for council tax setting purposes. These figures are used to determine tax rates for each of the council tax bands once the Council's budget requirement is known. The report also advises Members of the timetable for setting the 2018/19 council tax.

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

Portfolio Holder Cllr. Scholey

Contact Officer Roy Parsons, Principal Accountant - Ext 7204

Recommendation to Cabinet: That it be recommended to Council that:

- (a) the report of the Chief Finance Officer for the calculation of the Council's tax base for the year 2018/19 be approved;
- (b) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2018/19 shall be 49,902.89;
- (c) pursuant to the report of the Chief Finance Officer and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2018/19 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,431.82
Badgers Mount	329.31
Brasted	779.00

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Chevening	1,443.19
Chiddingstone	600.18
Cowden	402.07
Crockenhill	656.44
Dunton Green	1,180.38
Edenbridge	3,548.58
Eynsford	930.38
Farningham	657.83
Fawkham	280.51
Halstead	777.21
Hartley	2,538.28
Hever	598.98
Hextable	1,643.18
Horton Kirby & South Darent	1,298.26
Kemsing	1,813.75
Knockholt	628.51
Leigh	877.50
Otford	1,687.32
Penshurst	831.38
Riverhead	1,242.10
Seal	1,223.02
Sevenoaks Town	9,470.04
Sevenoaks Weald	621.15
Shoreham	686.26
Sundridge	925.22
Swanley	5,485.19
Westerham	1,985.12
West Kingsdown	2,330.73

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

Recommendation to Council: That the various calculations detailed above be approved.

Reason for recommendations: As part of the tax setting process for 2018/19, the Council needs to formally approve the tax base at individual town and parish level as well as for the District as a whole.

Introduction and Background

- 1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992, made under powers of the Local Government Finance Act 1992, specify formulae for calculating the council tax base which must be set between 1 December and 31 January.
- 2 The council tax base is a measure of the number of dwellings to which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating a billing authority's and other precepting authorities' band D council tax.
- 3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the Council's estimated collection rate for the year.
- 4 The Council is required to calculate a tax base figure for the Department for Communities & Local Government (DCLG). This is based on the valuation list as at 11 September 2017 and occupancy information at 2 October 2017. The tax base for tax setting purposes is based on information available in December 2017. In addition, other factors may be taken into account to reflect likely changes to the tax base during 2018/19. These factors include:-
 - An allowance for changes in the amount of disabled relief
 - An allowance for changes in the number of exempt properties
 - An estimate of the number of new properties liable to council tax
 - An estimate of the number of properties ceasing to be liable to council tax
 - An allowance for changes in the number of single person discounts
 - An allowance for the effect of appeals by taxpayers on the banding of their properties
- 5 It has always been the practice to assume that these items will be self-balancing and hence no adjustment to the overall tax base was made other than the usual allowance for non-collection. Over the last few years the tax base has been rising due to new properties being built. However, the rate of increase is not significant enough to warrant a change from the self-balancing assumption.

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Detailed Tax Base Calculations

- 6 The current year's tax base calculation assumes a 99.4% collection rate, which also allows for some movement in the items mentioned in Paragraph 4. Having assessed previous years' collection rates plus the effect of changes to council tax support, it is considered prudent to maintain the assumed collection rate at 99.4% for 2018/19.
- 7 The second column of the table below sets out the number of band D equivalents based on the valuation list and occupancy information at 1 December 2017 for each parish, together with a summary for the District. The figures are then subjected to the collection rate adjustment in column 3 to arrive at the tax base for council tax setting purposes appearing in column 4. The corresponding figures for 2017/18 appear in column 5.

<u>(1)</u> <u>Parish</u>	<u>(2)</u> <u>Band D</u> <u>Equivalents</u>	<u>(3)</u> <u>Collection</u> <u>Rate</u> <u>Multipliers</u>	<u>(4)</u> <u>Tax base</u> <u>2018/19</u>	<u>(5)</u> <u>Tax base</u> <u>2017/18</u>
Ash-cum-Ridley	2,446.50	0.994	2,431.82	2,417.81
Badgers Mount	331.30	0.994	329.31	329.71
Brasted	783.70	0.994	779.00	772.34
Chevening	1,451.90	0.994	1,443.19	1,448.06
Chiddingstone	603.80	0.994	600.18	595.80
Cowden	404.50	0.994	402.07	406.15
Crockenhill	660.40	0.994	656.44	647.99
Dunton Green	1,187.50	0.994	1,180.38	1,116.66
Edenbridge	3,570.00	0.994	3,548.58	3,505.34
Eynsford	936.00	0.994	930.38	929.09
Farningham	661.80	0.994	657.83	650.57
Fawkham	282.20	0.994	280.51	284.48
Halstead	781.90	0.994	777.21	760.41
Hartley	2,553.60	0.994	2,538.28	2,527.05
Hever	602.60	0.994	598.98	599.88
Hextable	1,653.10	0.994	1,643.18	1,650.64
Horton Kirby & South Darent	1,306.10	0.994	1,298.26	1,292.20
Kemsing	1,824.70	0.994	1,813.75	1,824.29
Knockholt	632.30	0.994	628.51	619.36
Leigh	882.80	0.994	877.50	818.76

Otford	1,697.50	0.994	1,687.32	1,668.43
Penshurst	836.40	0.994	831.38	829.69
Riverhead	1,249.60	0.994	1,242.10	1,237.13
Seal	1,230.40	0.994	1,223.02	1,198.96
Sevenoaks Town	9,527.20	0.994	9,470.04	9,315.37
Sevenoaks Weald	624.90	0.994	621.15	619.66
Shoreham	690.40	0.994	686.26	682.88
Sundridge	930.80	0.994	925.22	924.22
Swanley	5,518.30	0.994	5,485.19	5,407.86
Westerham	1,997.10	0.994	1,985.12	1,979.25
West Kingsdown	2,344.80	0.994	2,330.73	2,322.38
TOTALS	50,204.10		49,902.89	49,382.42

- 8 The Council has previously resolved that its expenses are to be treated as general expenses. In addition the Council has formally to approve what are to be regarded as special expenses now that parish precepts are treated as part of the District Council's general fund and therefore its budget requirement.

Timetable for Setting the Tax

- 9 The County Council, Police & Crime Commissioner and Fire and Rescue Service have advised me of their budget meeting dates for 2018/19:

County Council	20 February 2018
Police & Crime Commissioner	8 February 2018
Fire and Rescue Service	13 February 2018

- 10 The council tax for the Sevenoaks area cannot be set before the County, Police and Fire precepts have been ratified. There are several dates laid down in regulations on, or by which, certain tasks in relation to the budget process and tax setting have to be carried out. These key dates appear in the Appendix.
- 11 This Council's budget and tax setting meeting is on the same day as the County Council's. Their meeting is in the afternoon. It is expected that their figures will be known in advance, but they could change at the meeting. Hence the precept figures in our budget report will be subject to change.
- 12 As part of the tax setting process, the Council is required to make an estimate of the collection fund surplus or deficit at 15 January 2018 or the first working day after this, for the year ending 31 March 2018.
- 13 The amount of any surplus or deficit which a billing authority estimates in its collection fund will not remain in the collection fund but will be shared and

Agenda Item 6

taken into account by both billing and major precepting authorities in calculating their basic amounts of council tax for 2018/19.

- 14 In estimating any surplus or deficit, items relating to community charge will not be taken into account. These are to remain with the billing authority and will be taken into account by it in calculating its basic amount of council tax for the year.
- 15 An authority's share of any surplus or deficit relating to council tax is to be in the same proportion as its demand bears to the total demand and precepts on the collection fund for 2017/18. Payment is to be made during 2018/19 on the same dates as precept payments.

Key Implications

Financial

There are no financial implications.

Community Impact and Outcomes

There are no community impacts arising from this report.

Legal Implications and Risk Assessment Statement

Calculation of the tax base for the District is a statutory requirement. The information is used by other authorities in setting their precepts. The actual tax base will vary during the year as new properties are built and exemptions and discounts are granted or withdrawn. Any difference in the revenue raised to that needed to pay precepts remains in the collection fund to be distributed to or collected from major precepting authorities in the following year.

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

Members are asked to approve the calculation of the District's tax base for council tax setting purposes and to note the timetable for setting the 2018/19 council tax.

Appendix: Key dates in the council tax setting process

Background Papers: None

Adrian Rowbotham
Chief Finance Officer

APPENDIX

KEY DATES IN THE COUNCIL TAX SETTING PROCESS

- | | | |
|-------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) | By 13 October 2017 | Notify tax base for grant settlement purposes to Department for Communities & Local Government (DCLG) |
| ii) | During December 2017 | DCLG notifies schedule of payment dates for Revenue Support Grant (RSG) and Non-Domestic Rates (NDR). DCLG notifies the NDR multiplier (rate in £) for 2018/19 |
| iii) | By 31 December 2017 | Issue proposed schedule of payment dates to precepting authorities |
| iv) | By 31 January 2018 | Agree actual schedule of precept payment dates |
| v) | Between 1 December 2017 and 31 January 2018 | Notify tax base for tax setting purposes to KCC, Fire & Rescue Service and Police & Crime Commissioner |
| vi) | On 15 January 2018 | Estimate collection fund surplus or deficit for year and calculate the amount to be shared between SDC, KCC, Fire and Police (where applicable) |
| vii) | By 22 January 2018 | Notify KCC, Fire and Police of their shares of the surplus or deficit and when amounts are to be paid or transferred during 2018/19 (where applicable) |
| viii) | During January and February 2018 | Notify Town/Parish Councils of tax bases for their areas within 10 days of them making such a request |
| ix) | During February 2018 | DCLG notifies entitlements and payment dates of Formula Spending Share (FSS), RSG and NDR |
| x) | By 1 March 2018 | KCC, Fire & Rescue Service, Police & Crime Commissioner and Town/Parish Councils issue their precepts |
| xi) | By 11 March 2018 | District sets council tax for 2018/19, taking account of its own budget requirement and those of the precepting authorities. |

