

15 November 2018 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks  
Despatched: 07.11.18



# Finance Advisory Committee

## Membership:

Chairman, Cllr. Scholey; Vice-Chairman, Cllr. Eyre  
Cllrs. C. Barnes, Mrs. Bayley, Bosley, Dr. Canet, Esler, Kelly, Krogdahl, Lake,  
Pearsall and Pett

## 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 4 September 2018, as a correct record.	(Pages 1 - 6)	
2. <b>Declarations of Interest</b> Any interest not already registered.		
3. <b>Actions from Previous Meeting (if any)</b>		
4. <b>Update from Portfolio Holder</b>		
5. <b>Referral from Cabinet or the Audit committee (if any)</b>		
6. <b>Council Tax Reduction Scheme 2019/20</b>	(Pages 7 - 52)	Heather Gaynor Tel: 01732227435
7. <b>Land at Jenkins Neck Wood, Shacklands Road, Badgers Mount</b>	(Pages 53 - 62)	Andrew Stirling Tel: 01732227099
8. <b>Treasury Management - Mid-Year Update 2018/19</b>	(Pages 63 - 74)	Roy Parsons Tel: 01732 227204
9. <b>Asset Maintenance - Planned Preventative Maintenance</b>	(Pages 75 - 82)	Adrian Rowbotham, Richard Wilson Tel: 01732 227153/7262

- |     |   |                   |                                       |
|-----|---|-------------------|---------------------------------------|
| 10. | <b>Budget 2019/20: Service Dashboards and Service Change Impact Assessments (SCIAs)</b> | (Pages 83 - 112)  | Adrian Rowbotham<br>Tel: 01732 227153 |
| 11. | <b>Financial Results 2018/19 - to the end of September 2018</b>                         | (Pages 113 - 154) | Alan Mitchell<br>Tel: 01732227483     |
| 12. | <b>Financial Performance Indicators 2018/19 - to the end of September 2018</b>          | (Pages 155 - 162) | Alan Mitchell<br>Tel: 01732227483     |
| 13. | <b>Work Plan</b>  | (Pages 163 - 164) |                                       |

#### 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).

**FINANCE ADVISORY COMMITTEE**

Minutes of the meeting held on 4 September 2018 commencing at 7.00 pm

Present: Cllr. Scholey (Chairman)

Cllr. Eyre (Vice Chairman)

Cllrs. Bosley, C. Barnes, Dr. Canet, Esler, Kelly, Lake, Pearsall and Pett

An apology for absence was received from Cllr. Mrs. Bayley

Cllrs. Edwards-Winser were also present.

12. Minutes

Resolved: That the Minutes of the meeting of the Finance Advisory Committee held on 5 June 2018 be approved and signed by the Chairman as a correct record.

13. Declarations of Interest

There were no additional declarations of interest made, however for reasons of transparency Cllr Edwards-Winser advised that he was a Trustee of the Archbishop's Palace Conservation Trust.

14. Actions from Previous Meeting

The actions from the previous meetings were noted.

15. Update from Portfolio Holder

The Portfolio Holder and Chairman reported that he had been looking at asset maintenance planning with officers. In the last budget setting process the budget had been increased from 30 to 33%, and consultants had been commissioned to draw up a 20 year programme to ensure buildings were fit and safe for purpose. Argyle Road had been completed with all other infrastructure currently being looked at. A report would be brought to the next meeting.

The Council's Income Strip Funding Member working group (Minute 51(a) 1 May 2018) had held a few meetings and commissioned studies by consultants and would be preparing their report and recommendations to Council in November. Members requested that the report be considered by the Finance Advisory Committee before being submitted to Council for consideration. Officers advised that it was a working group of Council and not the executive and would be reporting directly to Council. However, as part of their work and investigations, and if so minded, there was nothing preventing the working group from inviting or seeking views from members of the Finance Advisory Committee as part of its investigations.

16. Referral from Cabinet or the Audit committee

There were none.

17. Archbishops Palace, Otford

The Chief Officer Environmental and Operational Services presented the report which provided the background to the Archbishop's Palace in Otford and recommended the granting of a lease to the Archbishop's Palace Conservation Trust to pursue their ambition to convert what remains of the North West corner tower and part of the northern gatehouse, into a self-sustaining centre for the dissemination of knowledge about the heritage of the building and area.

Granting a lease to the Trust would enable them the opportunity to develop and deliver their Business Plan and to secure necessary external funding required to achieve their vision and objectives, to create a self-sustaining Centre for educational, information and tourism use and preserving the valuable heritage asset. It would also remove the Council from future maintenance liability. However if, after a review, sufficient progress could not be made, the lease could be determined and responsibility revert back to the Council. If this was necessary the Council could then pursue the residential options outlined in the options appraisal report.

Members discussed the need for regular reviews not just one at five years, the Chairman advised that it was the intention to review regularly.

The Chairman exercised his discretion and allowed Cllr. Edwards-Winsler to address the Committee, and he explained his role within the Trust and advised that there was much local support for the project.

Public Sector Equality Duty

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

The Chairman moved the recommendations contained within the report subject to the amendment to 'five yearly reviews' and it was

Resolved: That it be recommended to Cabinet that a 99 year lease, at one peppercorn, per annum, if demanded, be granted to the Archbishop's Palace Conservation Trust to allow the Trust to develop their objectives with five yearly reviews dated and inserted into the lease to allow progress to be considered by both parties and such other terms as agreed.

18. Treasury Management Annual Report 2017/18

The Head of Finance presented a report which provided the review of investment and borrowing activity during 2017/18 as required by the Council's Financial Procedure Rules. The report outlined the strategy adopted during the year,

showed the position of the investment and debt portfolios at the beginning and the end of the year and gave details of how the investment fund had performed in comparison with previous years and against various benchmarks.

The overall return on the Council's investments was above budget in 2017/18 by approximately £11,400 and the percentage return had exceeded the recognised benchmarks. The economic situation both globally and within the Eurozone remained volatile, and this would have consequences for the UK economy. Treasury management in the past financial year was conducted against this background with a cautious investment approach.

The Head of Finance advised that training for Members had been arranged for 7pm on Wednesday 14 November 2018 and an email with further detail would be sent out shortly.

#### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the Treasury Management Annual Report for 2017/18 be approved.

#### 19. Financial Performance Indicators 2018/19 - July 2018

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of July 2018, which Members considered.

#### 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.

#### 20. Financial Results 2018/19 - July 2018

The Head of Finance presented a report on the Council's financial results 2018/19 to the end of July 2018, which showed the year end position was currently forecast to be an unfavourable variance of £20,000, this represented just over 0.01% of the net service expenditure budget totalling £14,687,000.

It was currently forecast that the amount of Business Rates retained would exceed the budget by £250,000, it is assumed that this would be transferred to the Budget Stabilisation Reserve and is therefore not included in the £20,000 unfavourable variance above.

Some Members expressed concern with regard to staff retention figures. The Chief Finance Officer advised that the Scrutiny Committee were looking at this.

Agenda Item 1  
Finance Advisory Committee - 4 September 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 Cabinet to note the report and comments with regards to staff retention.

21. Financial Prospects and Budget Strategy 2019/20 Onwards

The Chief Finance Officer presented the first report for the 2019/20 budget setting process advising that it would be the ninth year of using the current Financial Planning Strategy that included the 10-year budget which had proved successful to date and placed the Council in a much stronger financial position than most other councils.

The report was intended to start the debate and the assumptions would be updated as more accurate information became available during the process. The main message within the report was that the Council was able to remain financially self-sufficient. The 10-year budget set out at Appendix B to the report, included no Revenue Support Grant (RSG) or National Homes Bonus (NHB) in any year as the Council continued to no longer be reliant on direct Government funding.

Any amounts that were received from these sources were placed into the Financial Plan Reserve which could be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy. Using the funding for these purposes would result in additional year on year income that was not impacted by Government decisions.

Members agreed the last 10-year budget in February and the changes that had been made since then were:

- Rolling 10-year budget on for one year and updating base figures.

No changes to assumptions had been made at this stage.

The changes resulted in a worse budget position at this stage of £475,000 over the 10-year period (or £47,500 pa). However, there was a surplus in 2017/18 of £856,000 which was transferred to the Budget Stabilisation Reserve which more than offsets this change.

Over the next couple of months the Cabinet Advisory Committees would be presented with their Service Dashboards and Service Change Impact Assessments (SCIAs) and a budget update report will then go to Cabinet in December to include their comments.

The 10-year budget approved in February included the need for £100,000 of new savings or additional income each year and Chief Officers were currently putting together a list of growth and savings items for 2019/20 which would be discussed

with Portfolio Holders before being presented to the Advisory Committees. Officers were currently undertaking a review of the asset maintenance requirements for council owned properties and it was expected that this would result in a growth item, and future Council Tax income levels would also be looked at taking into account the latest information including the Local Plan.

#### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that

- a) the ten-year financial planning approach and principles set out in the report be endorsed;
- b) the Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and savings options; and
- c) officers be requested to continue to review the assumptions as detailed within in the report and report back to Cabinet on 6 December 2018.

#### 22. Business Rates Retention Pilot 2019/20

Members considered a report which advised that following the Council's participation in the Kent and Medway 100% Business Rates Retention Pilot scheme for 2018/19 following a successful bid The Ministry of Housing, Communities and Local Government (MHCLG) had invited local authorities to participate in a pilot of 75% Business Rates Retention in 2019/20 with a submission deadline of 25 September 2018.

A Business Rates Retention Pilot was expected to be financially beneficial to the district and county as a whole and discussions would continue prior to any submission being made. It was therefore recommended that authority be delegated to the Finance Portfolio Holder, in consultation with the Leader, to decide whether it would be beneficial for the council to participate in the 2019/20 pilot.

#### Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that authority be delegated to the Finance Portfolio Holder, in consultation with the Leader, to decide whether this council should participate if a Kent and Medway pilot for 2019/20 was proposed.

Agenda Item 1

Finance Advisory Committee - 4 September 2018

23. Work Plan

The work plan was noted. It was also noted that the date of the next meeting was 30 October, not November. However, the Chairman would be looking to change this meeting date.

THE MEETING WAS CONCLUDED AT 8.14 PM

CHAIRMAN

## COUNCIL TAX REDUCTION SCHEME 2019/20

### Finance Advisory Committee - 15 November 2018

Report of: Chief Finance Officer

Status: For Decision

Also considered by: Cabinet - 8 November 2018  
Council - 20 November 2018

Key Decision: No

---

**Executive Summary:** This report seeks Member's approval to recommend the adoption of a replacement Council Tax Reduction (CTR) scheme for 2019/2020, which is to be implemented with effect from 1 April 2019.

---

**Portfolio Holder** Cllr John Scholey

**Contact Officers** Adrian Rowbotham, Ext. 7153  
Heather Gaynor, Ext. 7435

---

#### Recommendation to Cabinet

- (a) That the comments of the Finance Advisory Committee to be held on 15 November 2018 be forwarded to Council for consideration.
- (b) To recommend to the Council to adopt the new Council Tax Reduction scheme from the 2019/20 financial year.

#### Recommendation to Finance Advisory Committee

- (a) Noting the decision of Cabinet on 8 November 2018, that the Committee consider the proposed Council Tax Reduction scheme for 2019/20 and forward any comments to Council.

#### Recommendation to Council

- (a) That Council resolves to adopt the new Council Tax Reduction scheme from the 2019/20 financial year as required by S13A and Schedule 1A of the Local Government Finance Act 1992 as amended.

---

#### Reason for recommendation

The decision on any amendments to the Council's CTR scheme must be taken by Council. In order to comply with prescribed requirements, the decision of Council must be made by 11 March 2019 in order for the recommended amendments to

---

---

take effect from 1 April 2019.

---

### **Introduction and Background**

- 1 The Council Tax Reduction scheme replaced Council Tax Benefit with effect from 1 April 2013.
- 2 Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.
- 3 The current scheme (2018/19) for working age applicants is based on the previous Council Tax Benefit means tested, but has been amended since 2013. The following changes currently apply to working age applicants only:
  - a. All working age applicants are required to pay a minimum of 20% towards their Council Tax liability;
  - b. If a person is self-employed, a minimum income floor may be imposed where a person's income is less than expected after two years of trading, this could be based on 35 hours x National Living Wage. There are some exemptions to this.
- 4 The scheme has been amended each year for general changes in applicable amounts (primarily in relation to disability premiums) and for non-dependant deductions.

### **Council Tax Reduction and the Full Service Roll Out of Universal Credit**

- 5 The introduction of Universal Credit within Sevenoaks District will, as experienced in all other areas bring a number of challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. Sites within full service areas have experienced the following:
  - a. The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to loss of entitlement;
  - b. A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and
  - c. The increased costs of administration through multiple changes with significant additional staff and staff time being needed.
- 6 It is clear that the existing means tested Council Tax Reduction scheme, which is too reactive to change, will not be viable once Universal Credit has

been rolled out fully within the area and the move to a new more efficient scheme from 2019 is now imperative.

**The 2019/20 Council Tax Reduction Scheme**

- 7 Cabinet on 12 July 2018 resolved that the work undertaken to date and the recommendation that a redesign to the current Council Tax Reduction (CTR) scheme is required to address the issues Universal Credit Full Service, upon which we should consult be noted. Also that a consultation be launched on the potential introduction of a fundamental redesign to the current CTR scheme for working age claimants.
- 8 The Finance Advisory Committee on 5 June 2018 resolved that the progress at that stage on proposed changes to the CTR scheme for 2019/20 be noted.
- 9 In view of the problems being experienced with Universal Credit, the Council Tax Reduction schemes for Sevenoaks has been fundamentally redesigned to address;
  - a. The problems with the introduction of full service Universal Credit; and
  - b. The inevitable increase in administration costs due to the high level of changes received in respect of Universal Credit.
- 10 Work has been undertaken since January 2018 on a new scheme which is now completed. If accepted by Council, the new scheme will be implemented from 2019/20. The new scheme has a number of features as follows:
  - a. The overall expenditure (cost) of the scheme will remain broadly as at present;
  - b. The changes can **only be made to the working age schemes** as the current scheme for pensioners is prescribed by Central Government;
  - c. The current means - tested scheme will be replaced by a simple income grid model as shown below:

Following the modelling the original income levels were found to be too low. The ranges have therefore been widened to be as inclusive as possible and to minimise any impact on applicants.

		Weekly Income levels			
Band	Discount %	Single person	Couple with no children	Couple or Lone Parent with one child	Couple or Lone Parent with two or more children
1	80	Passported Benefit			

## Agenda Item 6

1	80	£0 - £79.99	£0 - £119.99	£0 - £179.99	£0 - £239.99
2	60	£80 - £129.99	£120- £169.99	£180 - £229.99	£240 - £299.99
3	40	£130 - £179.99	£170 - £219.99	£230 - £279.99	£300 - £349.99
4	20	£180 - £259.99	£220 - £299.99	£280 - £379.99	£350 - £449.99
5	0	£260+	£300+	£380+	£450+

For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.

- d. It is recommended that the highest level of discount will be set at current maximum level of liability (80%) and all current applicants that are in receipt of a 'Passported Benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount;
- e. All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- f. The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- g. Limiting the number of children used in the calculation of support to two for all working age applicants. This will bring the scheme in line with Universal Credit;
- h. Where an applicant had non-dependants living with them, no deduction shall be made from any entitlement. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters for example remain at home;
- i. To remove Second Adult Rebate;
- j. To encourage work, a standard £25 per week disregard will be provided against all earnings for all applicant types. This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a child care disregard (for child care costs not paid for by Central Government schemes), this has been allowed for within the income levels in the 'grid scheme';
- k. Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded and, in addition, the Support Component of Employment and Support Allowance and

Carer's Allowance will also be disregarded, again providing additional protection with the scheme

- l. Where an applicant is disabled, they have a disabled child or receive the Support Component of the Employment and Support Allowance, the amount they receive as a premium under the existing scheme will be replaced by an equivalent income disregard (in addition to the disregard of disability benefits as outlined in k. above)
- m. The total disregard on war pensions and war disablement pensions will continue;
- n. The capital limit under the new scheme will be £6,000. This is a reduction from the current level of £16,000. Any capital below this level will not have any effect on the applicant's entitlement to Council Tax Reduction;
- o. Removes the conditions that prevent certain students from claiming Council Tax Reduction;
- p. Removing extended payment provision;
- q. Changing the CTR claiming process for all applicants who receive Universal Credit;
- r. Making , all changes in circumstances which change any entitlement to Council Tax Reduction on a daily basis rather than the current (benefit based) weekly basis;
- s. Where a request is made to backdate entitlement, the current scheme requires the applicant to prove 'good cause'. The new scheme will replace 'good cause' with a general discretion to backdate, and
- t. The scheme will have a minimum award of £1.00 per week.

#### **How the new scheme will address the problems of full service Universal Credit**

- 11 Due to the simplicity of the proposed new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with Universal Credit as follows;
  - a. **The scheme will require a simplified claiming process.** In the case of Universal Credit applicants *any* Universal Credit data received from the Department for Work and Pensions will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed automatically without the need to request further information from the taxpayer. This will have the following distinct advantages namely:
    - i. **Speed of processing** - claims will be able to be calculated automatically and promptly without the need to request further information which inevitably leads to delays;

## Agenda Item 6

- ii. **Maximising entitlement to every applicant** - as there will no requirement for Universal Credit applicants to apply, entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;
  - iii. **Maintenance of collection rates** - the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved.
- b. **The income bands are sufficiently wide to avoid constant changes in discount.** The current Council Tax Reduction scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages:
- i. Only significant changes in income will affect the level of discount awarded;
  - ii. Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments.
- c. The new scheme is designed to reflect a more modern approach, where any discount changes it will be effective from the day of the change rather than the Monday of the following week.

### Transition to the new scheme and the Council's Exceptional Hardship Policy

- 12 The Council is mindful that any change in scheme or a transition to a new scheme may result in a change to the entitlement of certain applicants.
- 13 Whilst the new scheme has been designed to protect vulnerable groups and to, where possible, minimise any reductions in entitlement, it is proposed that the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings.
- 14 The current policy only allows the applicant to apply for exceptional hardship whilst they are in receipt of CTR. An amendment to the policy is recommended to allow an applicant to apply for exceptional hardship where they have been in receipt of CTR within the last 6 weeks. This will allow applicants who no longer qualify to apply for exceptional hardship.

- 15 The Council is of the opinion that this approach will enable individual applicants to be dealt with in a fair and equitable manner.

### **Public Consultation**

- 16 To effect changes to the CTR scheme, the Council has a legal duty to carry out public consultation and assess the impacts of the proposed changes with regard to equalities. The Council has undertaken a full public consultation over an eight week period, which ended on 17 September 2018.
- 17 An on-line questionnaire was available on the Council's website over the eight week period. A letter was sent to all working-age claimants advising them of the web link and also giving them an option to request a hard copy of the questionnaire. Registered Social Landlords and third sector organisations were also advised of the consultation and encouraged to respond.
- 18 The Council should be mindful of these responses shown at Appendix A. It should be noted that overall, the responses were favourable to the changes proposed.
- 19 Within the report to Cabinet on 12 July, Members endorsed that in response to a complaint to the Council, the consultation was used to establish if a wider issue existed with access to the CTR scheme for those that regard themselves to work in the 'gig economy' (an environment where temporary positions are common and organisations contract with independent workers for short-term engagements). The Council follows standard practice and identifies applicants in this situation as self-employed. Two comments were received in relation to this question, but data indicates it is not a wide or significant issue for claimants.

### **Consultation with Major Preceptors**

- 20 In addition to a full public consultation, the Council also has consulted with the major preceptors namely Kent County Council, Kent Fire and Rescue Service and the Police and Crime Commissioner for Kent
- 21 The preceptors have agreed with the changes proposed and are happy with the approach taken by the Council. Response from Kent County Council stated:
- Based on the stated aims (no detrimental impact on tax base or material change in benefit discounts) we are happy to support this and encourage schemes to be kept up to date with welfare reforms.

### **The new scheme**

- 22 The proposed new scheme document is attached at Appendix C

### Key Implications

#### Financial

The annual cost of the current CTR scheme is £5.6 million of which £2.7 million relates to working age claimants. It is anticipated that there will be no significant increase in expenditure under the new scheme. Final costs will be calculated once the Council Tax levels for 2019/20 have been set by full Council.

There will be no significant financial impact to the Council and the Major Precepting Authorities (Kent County Council, Fire Authority and Police).

Where an individual may suffer exceptional hardship, the scheme will include an exceptional hardship provision which will be met by the collection fund in the same way as Council Tax Reduction.

#### Legal Implications and Risk Assessment Statement

Schedule 1A (5) of the Local Government Finance Act 1992 as amended requires local authorities to consider the following:

*For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.*

*The authority must make any revision to its scheme, or any replacement scheme, no later than 11<sup>th</sup> March in the financial year preceding that for which the revision or replacement scheme is to have effect.*

In addition, where there are changes to the scheme the authority is obliged under Schedule 1A (5) (4) *if any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.*

The full implications of the legislation are addressed with paragraph 10-13 above. The exceptional hardship provision will provide a mechanism enabling the Council to award additional support where it is felt that any applicant may suffer exceptional hardship under the new provisions.

#### Equality Impact 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.

A full equality impact assessment covering the implications of amending the current scheme and introducing a revised scheme from 1 April 2019 is detailed in Appendix B.

The impact assessment concludes that it would be considered reasonable to continue with the implementation of the new scheme. The income grid scheme proposed ensures that overall spending on council tax discount to support residents will remain in line with the amount spent under the current scheme.

Alongside this, measures to ensure that all passported benefits claimants maintain the highest level of discount and simplifying the claiming process ensure that the objectives of the new scheme are being met.

It is recognised that within this proposal there will be applicants that will receive more discount as a result of the new scheme and there will be applicants that will either receive less discount or no discount at all. The principles on which the scheme are designed ensure that those with the least income and the least amount of savings (capital) are entitled to greater levels of discount.

Reasonable adjustments have been proposed to the scheme to support those that would be worst affected. Firstly, the income grid bands have been revised post-consultation to ensure the scheme delivers on its aim to maintain current spending and to support those on lowest incomes more greatly. Secondly, it is proposed to amend the Exceptional Hardship Policy ensuring it remains accessible to claimants who were in receipt of a discount within the last six weeks. The current Policy is only open to applicant's currently in receipt of a discount and it is recognised this would be insufficient when introducing new scheme rules.

**Appendices**

Appendix A - Summary of consultation responses

Appendix B - Equality Impact Assessment

**Background Papers**

Proposed Council Tax Reduction Scheme 2019/20

[Council Tax Reduction Scheme - 2019/20 - report to Finance Advisory Committee 05/06/18](#)

[Council Tax Reduction Scheme 2019/20 - report to Cabinet 12/07/18](#)

**Adrian Rowbotham**

**Chief Finance Officer**

This page is intentionally left blank

# **Council Tax Reduction Scheme for 2019/20**

## **Consultation Results**

### **Background**

Each year the Council has to decide whether to change its Council Tax Reduction scheme for working age applicants in its area. This year the Council is recommending significant change to the Council Tax Reduction scheme due to the introduction of Universal Credit Full Service within the Kent area and to simplify the scheme for all claimants.

The Council is not proposing to make any reductions on its overall spending on council tax reduction claims from the changes it is suggesting. Before any changes can be implemented, they must be subject to public consultation.

### **Consultation dates**

The consultation ran for 8 weeks. It started on 23 July 2018 and finished on 16 September 2018.

### **Consultation Results**

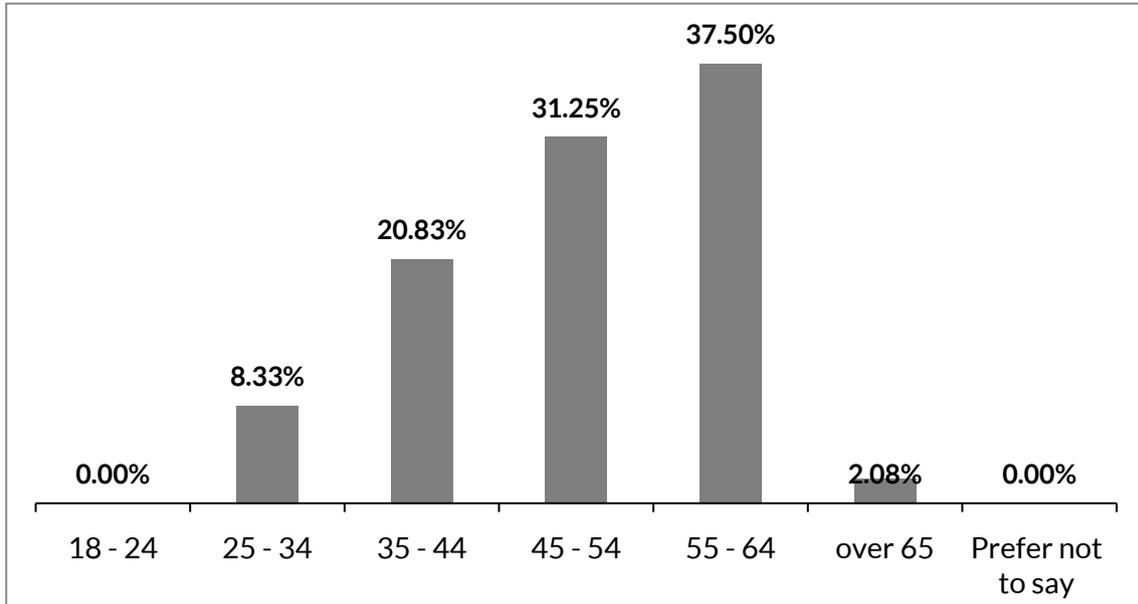
In total 111 people responded to the Council's consultation on the council tax reduction scheme for 2019/20.

107 of the respondents confirmed that they had read the background information that accompanied the consultation and informed them of the proposals before they completed the questionnaire.

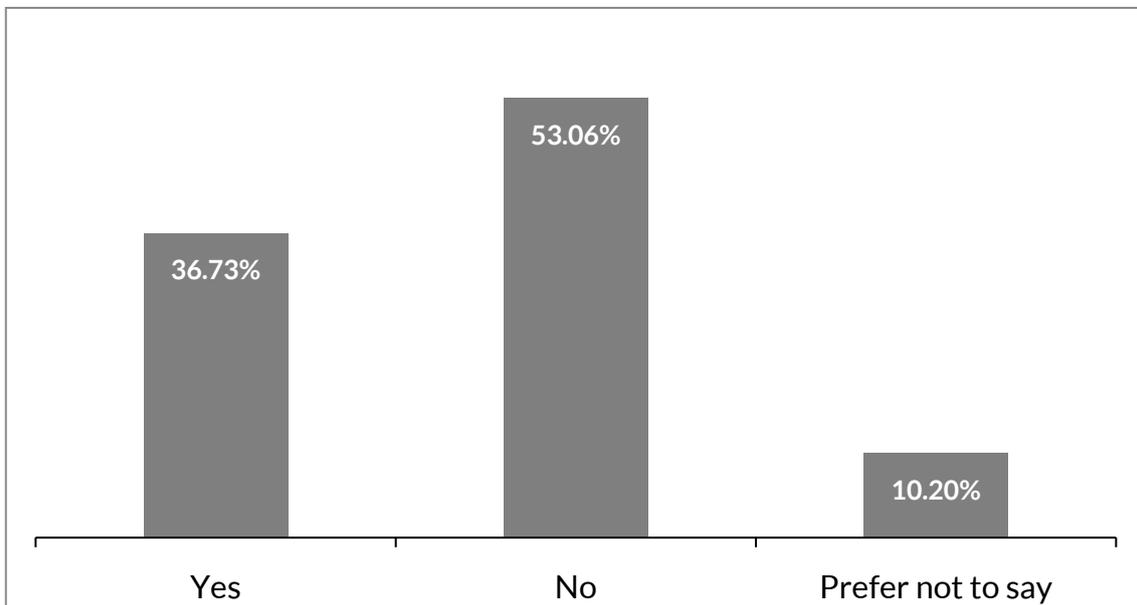
### Demographics

49 people provided responses to the equalities monitoring questions and told us about their employment status.

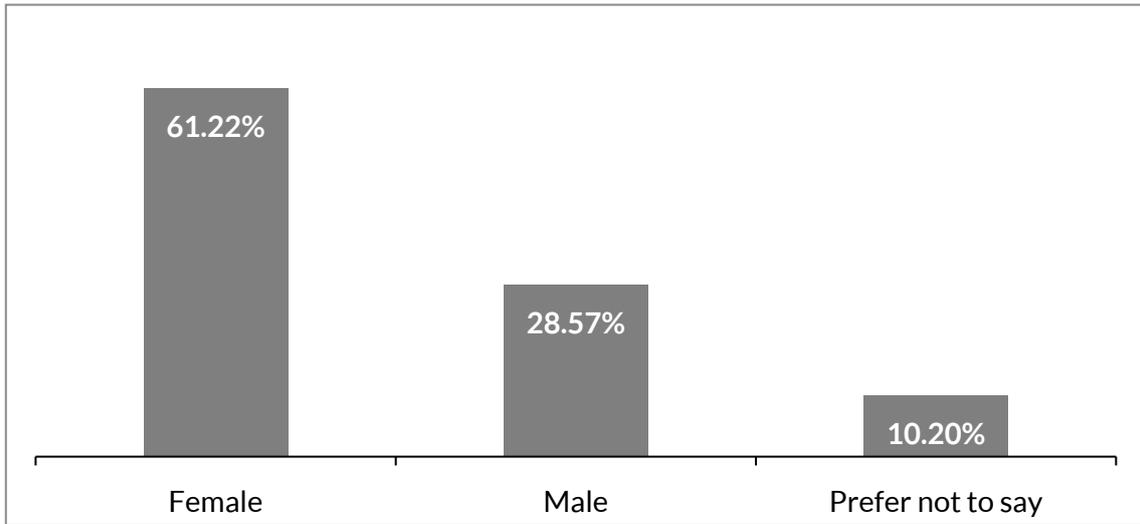
#### Age



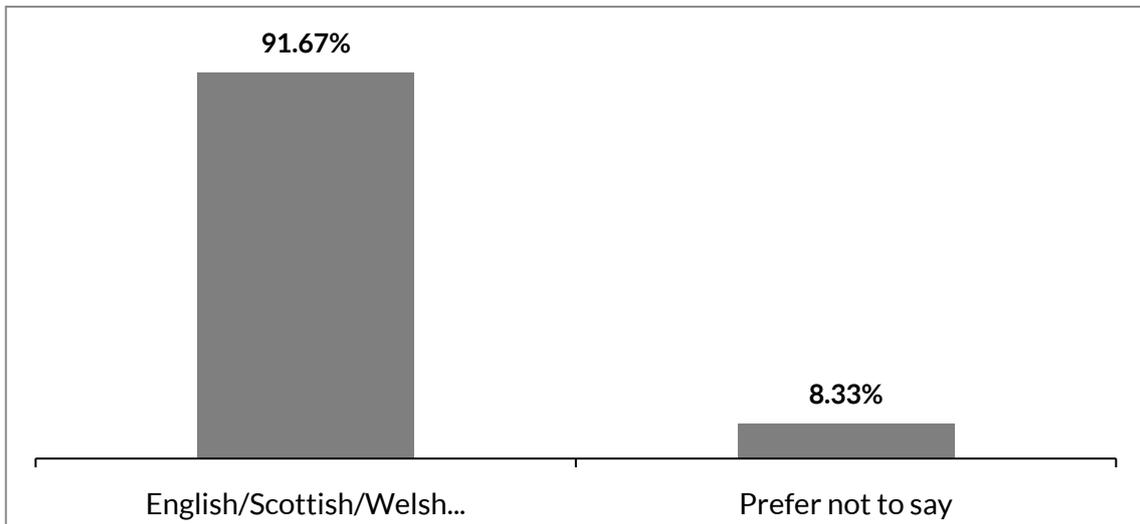
#### Disability



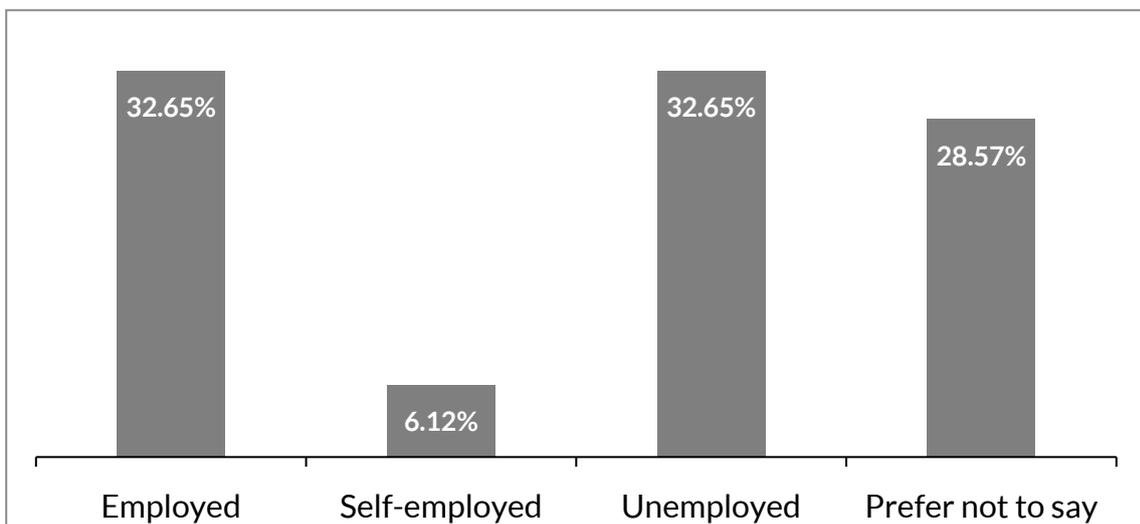
**Gender**



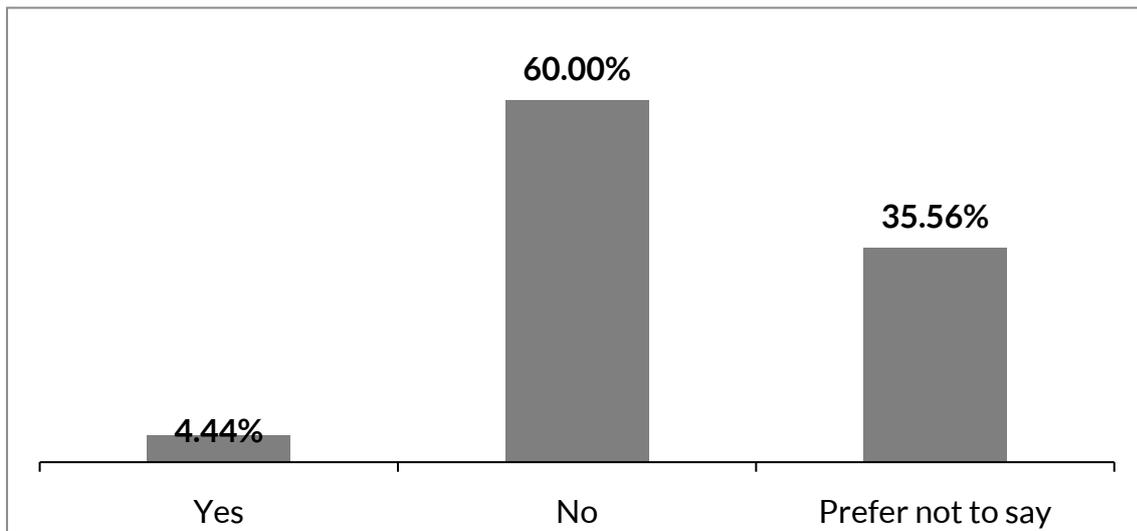
**Race**



**Employment status**



**Would you consider your main employment to be in the gig economy?**



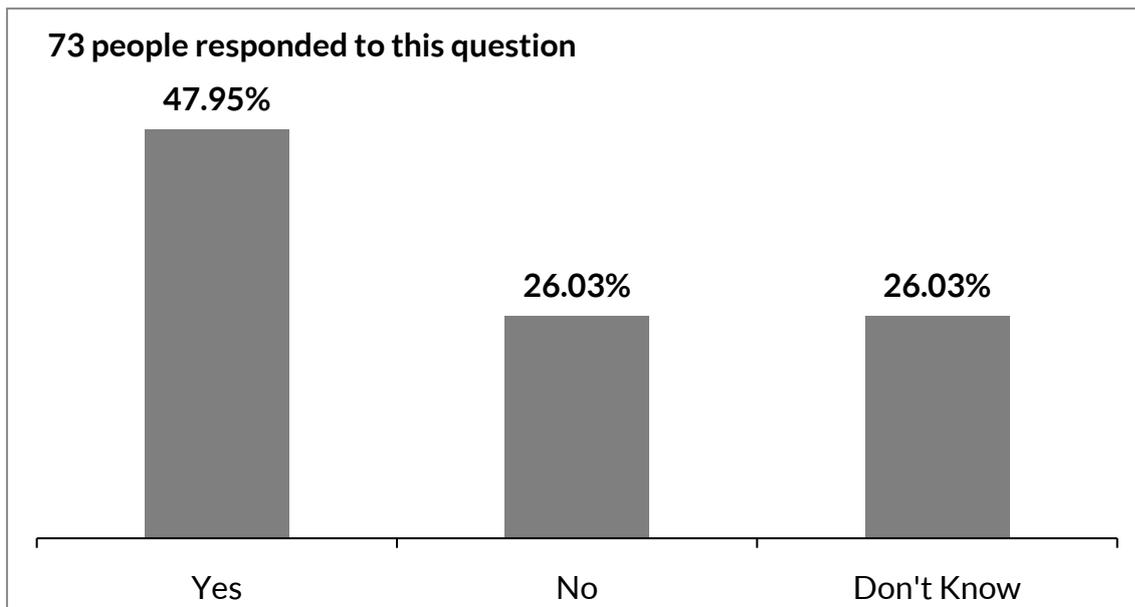
**Please tell us if you believe your employment in the gig economy has an impact on you when making a claim under the Council Tax Reduction scheme**

I do not know what the Gig economy is as I have not come across the term before.
I am self-employed, but mainly in sales, not gigs. I am also disabled. I currently receive no support because your scheme falsely assumes that I have income that does not actually exist. My income fluctuates - sometimes I am not well enough to work, and sometimes even when I can work I don't sell anything because my customers don't always want to buy - I can't force them to purchase products that they don't need or can't afford! My circumstances are not taken into account in your current scheme, and there is no proposal in your listed options to improve this blatant (and unlawful) discrimination.
I dont understand what the gig is sorry
I'm sorry I do not know what the gig economy is! I shall have to look it up.
It's difficult as my income varies month to month. One month I may earn more or less than the next. You can't judge it as it's seasonal too. I have to save to make my council tax payments. My rebate may be a lot less than what I'm entitled to as my finances are worked out on the previous financial year if it was a good year followed by a bad I am always in financial difficulty.
what is the gig economy?
I have no idea what a 'gig' economy is.
I don't know what a gig economy is
N/A to me

**Option 1**

**To introduce an Income Based Grid scheme to replace the current scheme for all applicants of working age**

**Do you think Option 1 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



**Comments provided in response to Option 1**

The bands are too wide. With bands at 20%, for a typical Council Tax weekly bill of £25, someone on low wages who receives a £10 per week gross income rise which tips them into the next CTR income band would see £5 of that lost in reduced CTR, that is too great a clawback. Bands should be at maximum 10% increments to reduce the marginal gains/losses when an income change occurs.

Income bands are ridiculously low

Income must be ACTUAL income and not the assumed minimum wage level currently used for self-employed people. Many people are self-employed not through choice but because they have a chronic illness or disability which makes them unable to find employment, so if they are capable of work but unattractive to employers, they choose self-employment rather than doing no work at all. These people are currently discriminated against by the assumption that they earn minimum wage, when, in many cases, that assumed income does not actually exist. This shameful discrimination must stop.

Maybe but there should be an allowance of some sort of the person receives a few pounds over each upper limit. As it is unfair to pay another 20% if you are only getting a few pounds over the upper limit.

Providing it is completely fair when deciding how it is to be accomplished and all variables are taken into consideration.

It seems absurd to me that with income tax a person has to be earning over £11,850 a year to pay any tax at all, yet this proposed change would lead to people bring in only half that amount paying around 10% of their much needed income in council tax.

What about people how are on contribution income.

This will be difficult to manage as a person's income may vary week by week

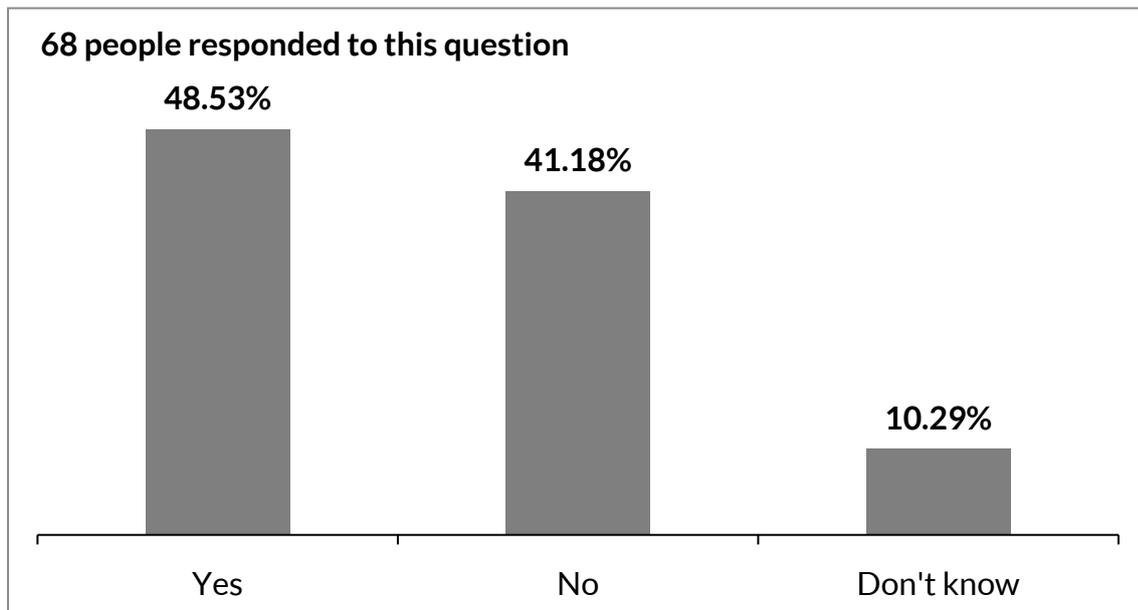
All should pay

This seems the fairest system of them all. Some large families are not by design they are because of new relationships bringing in more children. This will allow income related discounts to be applied with limiting child discounts

**Option 2**

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

**Do you think Option 2 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



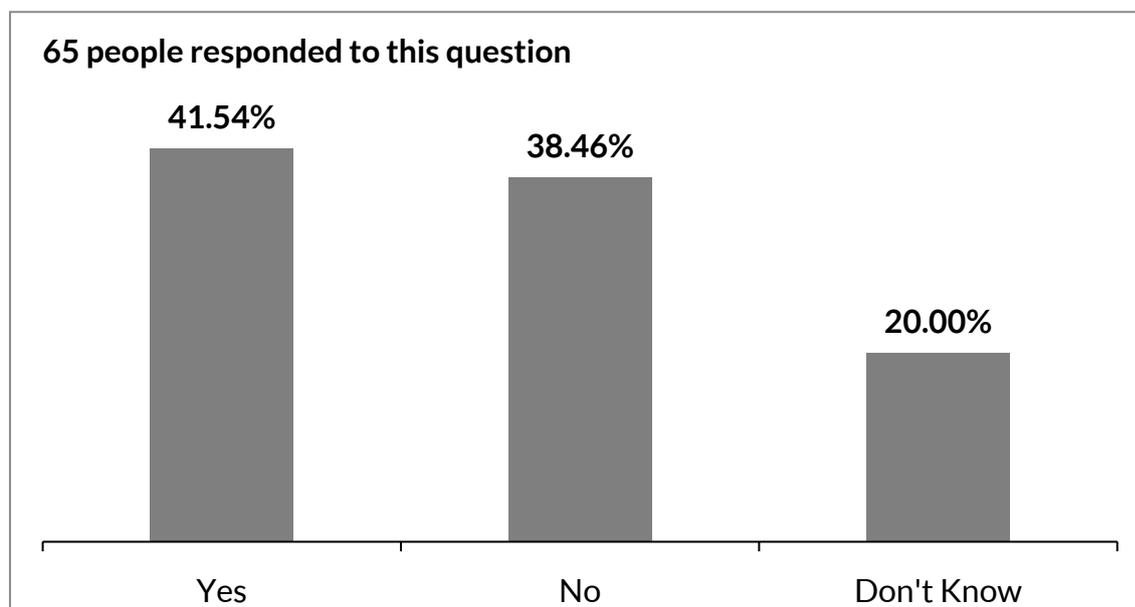
**Comments provided in response to Option 2**

While this would mean Council Tax reduction is income based, the amount of children you have limits the amount of expendable income this would not be fair.
I think this is applying a limit on children "retrospectively" for existing claimants, and is therefore unfair. They cannot change the size of their household retrospectively. Existing HB claimants with larger families are not "punished" in this way
Adults are liable to pay council tax, children are not, so the reduction scheme should not take children into account at all - they are irrelevant.
I would have said yes to this proposal BUT you haven't been thorough enough in your outlining of 'dependant' children. Is that 2 birth children? What about fostered children? Or step children that might come at weekends etc?  What children will be exempt if at all?
If applicants want more than two kids then they should provide for them themselves. if they cannot afford them then don't have them
I understand that this is line with UC, However, failure to pay Council Tax is potentially so damaging to the client (who will be already disadvantaged by the 2-child rule) that it would seem fair to allow this extra support.
Agree

**Option 3**

**To remove Non-Dependant Deductions from the scheme**

**Do you think Option 3 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



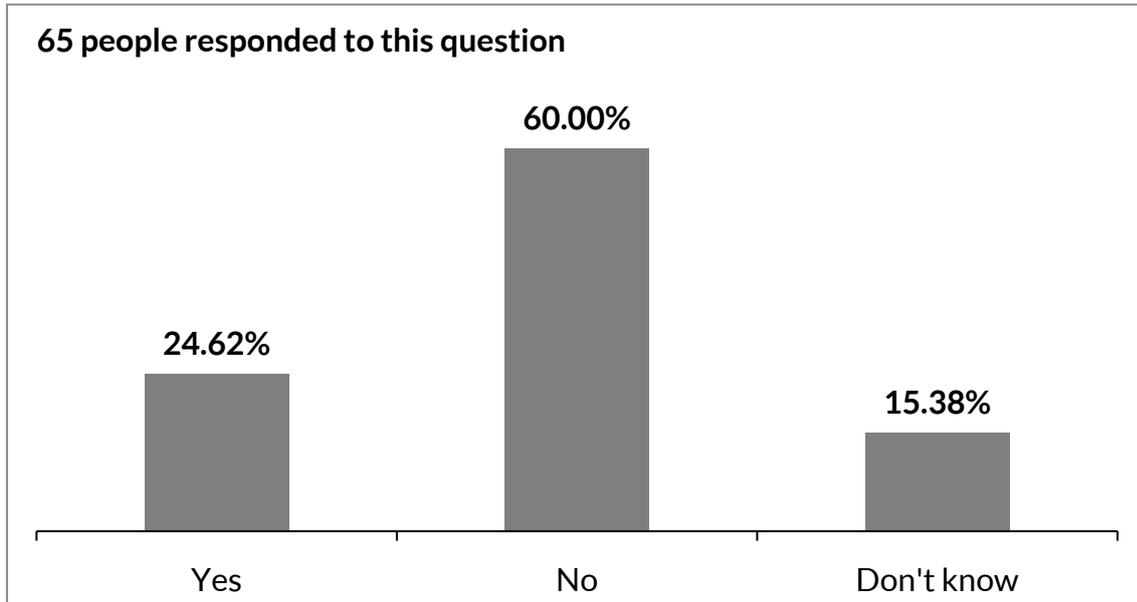
**Comments provided in response to Option 3**

Ridiculous to expect answers to questions that need the question in front of them, not on another download !!!
Households with more working-age adults should pay more council tax (and therefore receive a smaller reduction). All working-age adults will be receiving some form of income (wages, benefits or a combination of both) and should pay their fair share of the cost of local services.
It will force people like pensioners and single parent s to evict their children when they leave school
I am being charged £75 from my HB C Tax award, this comes from my son's PIP. this is not fair.
If there are adults living in a property they should all be made jointly liable. If the person who is the main tenant or owner of the property is receiving benefits and the other adult's living in the property are not and have a significantly higher income, you should look at making to non-benefit claimer liable.
Yes

**Option 4**

**To remove the Second Adult Rebate provisions**

**Do you think Option 4 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



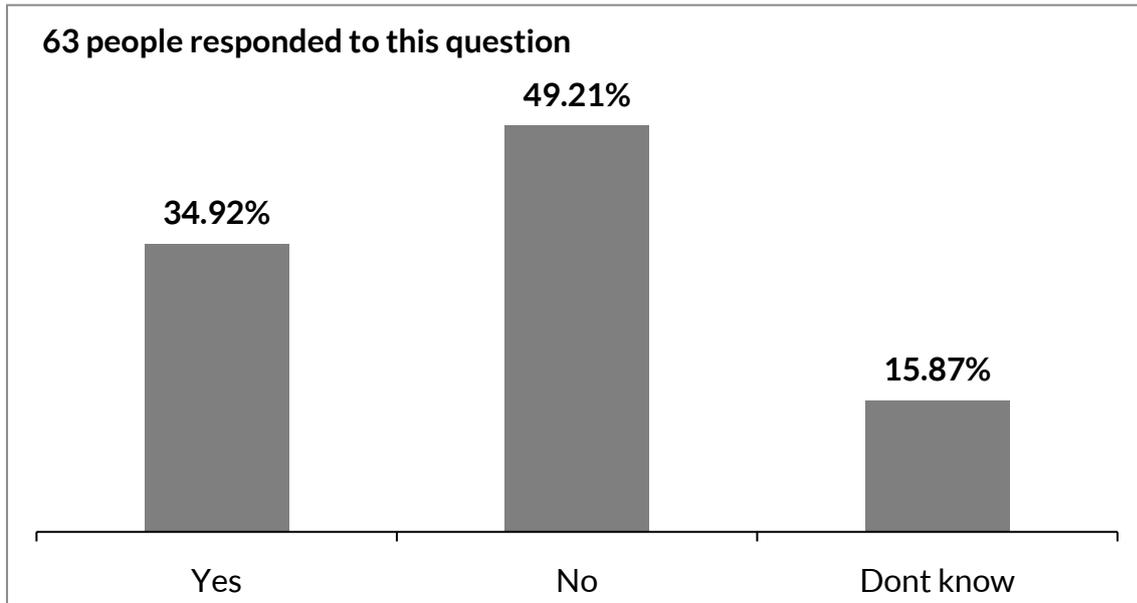
**Comments provided in response to Option 4**

Respect to anyone who truly understands the Second Adult Rebate. As it appears not to be based on the income of the Council Tax payer, it should be removed
Refer to previous comment -too complicated to answer without the full question included
I don't really understand what this is
Yes

**Option 5**

**To remove the current earnings disregards and replace them with a standard £25 per week disregard irrespective of a person’s circumstances**

**Do you think Option 5 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



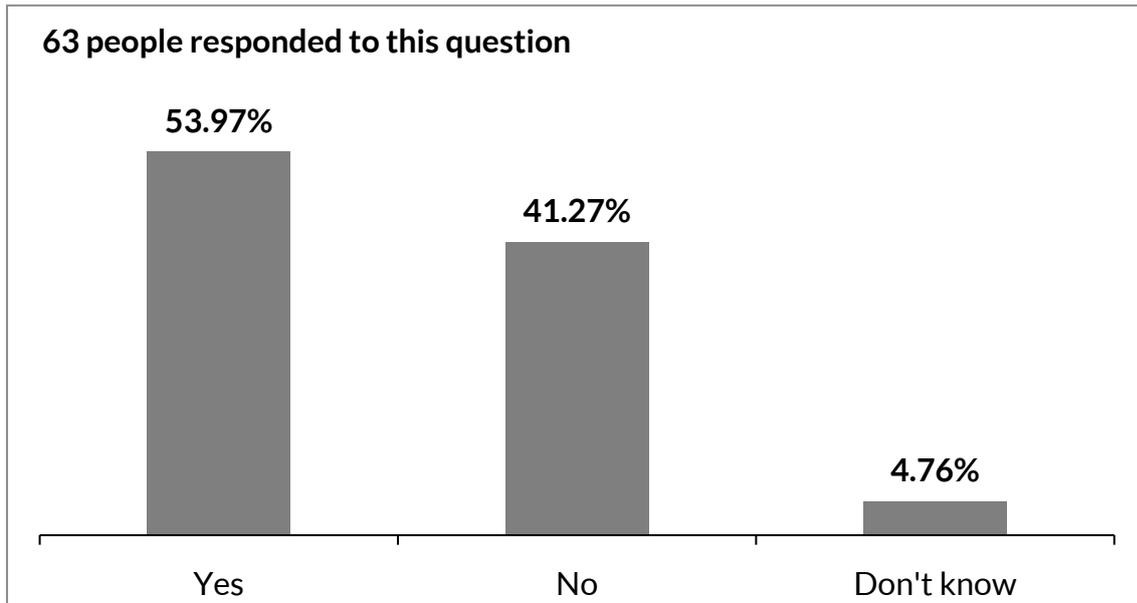
**Comments provided in response to Option 5**

It is almost impossible to assess whether this change will lead to significant gains and losses
not sure what this means
Again, this should be calculated against the ACTUAL income received by self-employed people, and not against the fake income created by the discriminatory assumption that all self-employed people are earning the equivalent of the minimum wage.
Yes

**Option 6**

**To disregard Carer’s Allowance which is currently taken into account as income**

**Do you think Option 6 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



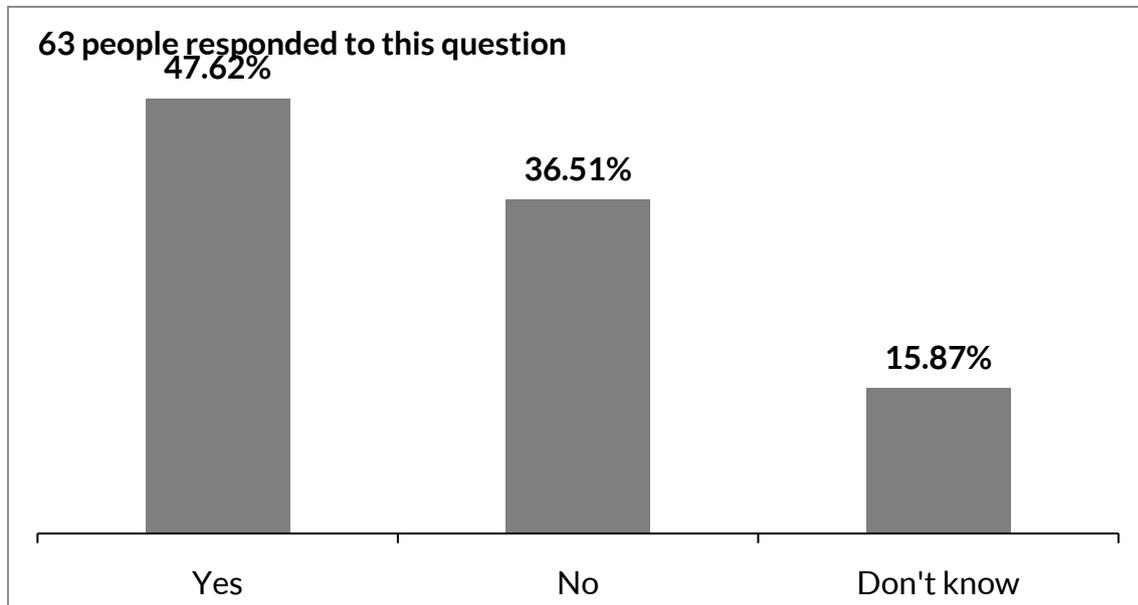
**Comments provided in response to Option 6**

This provides a net benefit to households where there is a payment of Carer's Allowance
Carers get very little for their hard work and save the government a lot of money by taking on the care of relatives. To then have what they do get into a added extra in income is frankly ridiculous. Most carers income is what they are paid via carers allowance.
its hard enough financially for carers allowance being counted as income. So every little extra helps
Someone who is receiving Carer's Allowance is saving the council money so this money should never be classed as earnings.
As someone who claims carers allowance this would work better for me and my partner
Yes

**Option 7**

To replace the current disabled premiums under the existing scheme with an equivalent income disregard.

Do you think Option 7 should be introduced into the Council Tax Reduction Scheme for 2019/20?



### Comments provided in response to Option 7

I don't know enough how it works in relation to CT reduction

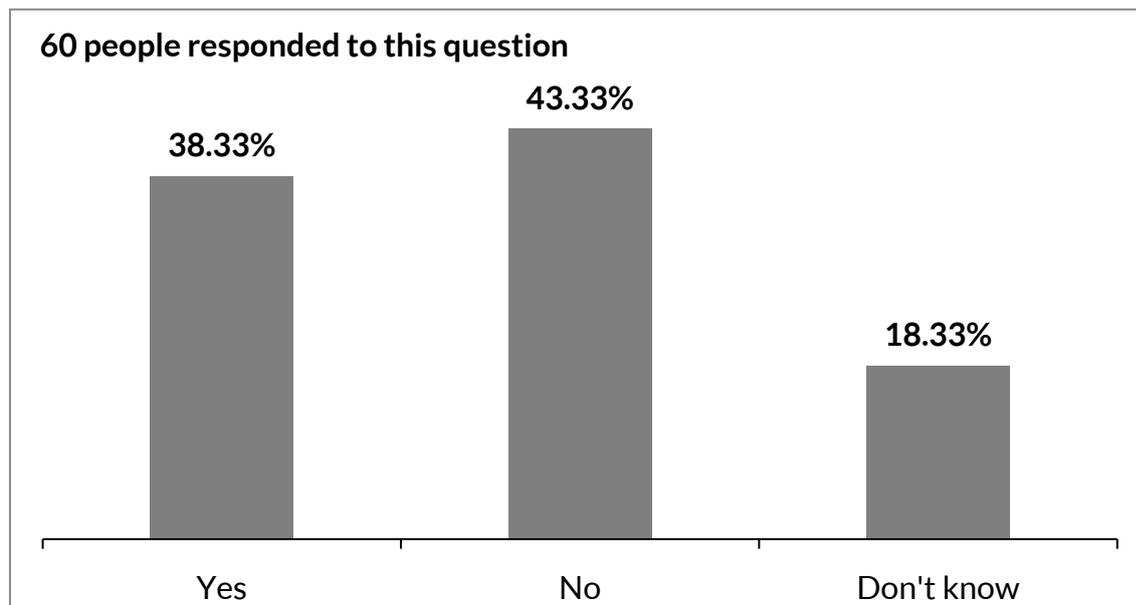
This is incompatible with Option 5 (introduction of a single £25 disregard) and would penalise (and discriminate against) people with disabilities. If you want to use Option 7 and remove the premium, you must amend Option 5 to allow a higher disregard for people with disabilities.

As long as it does not disadvantage disabled people and make them worse off

**Option 8**

**To simplify the capital/savings rules and reduce the capital limit to £6,000**

**Do you think Option 8 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



**Comments provided in response to Option 8**

This change would penalise CT payers on low incomes with modest savings. Since the system will receive data feeds from UC applications (Option 11), I do not know why the UC method of accounting for savings in the £6,000-£16,000 cannot be adopted. Also, a small increase in savings (eg receipt of a £2000 legacy, that takes a payer over the £6,000 limit, could lead to a total loss of CTR, worth perhaps £1000 in a year. That is far too big a cliff edge.

£6000 is far too low - barely enough to pay for a funeral in the Sevenoaks area. I have nothing against simplification, but this proposal is ridiculous!

With a small amount of savings, plus housing benefit and DLA coming into my bank account, it is easy to come close to that limit. £10,000 would be a better amount. Otherwise people will end up living with no reserves for their future costs.

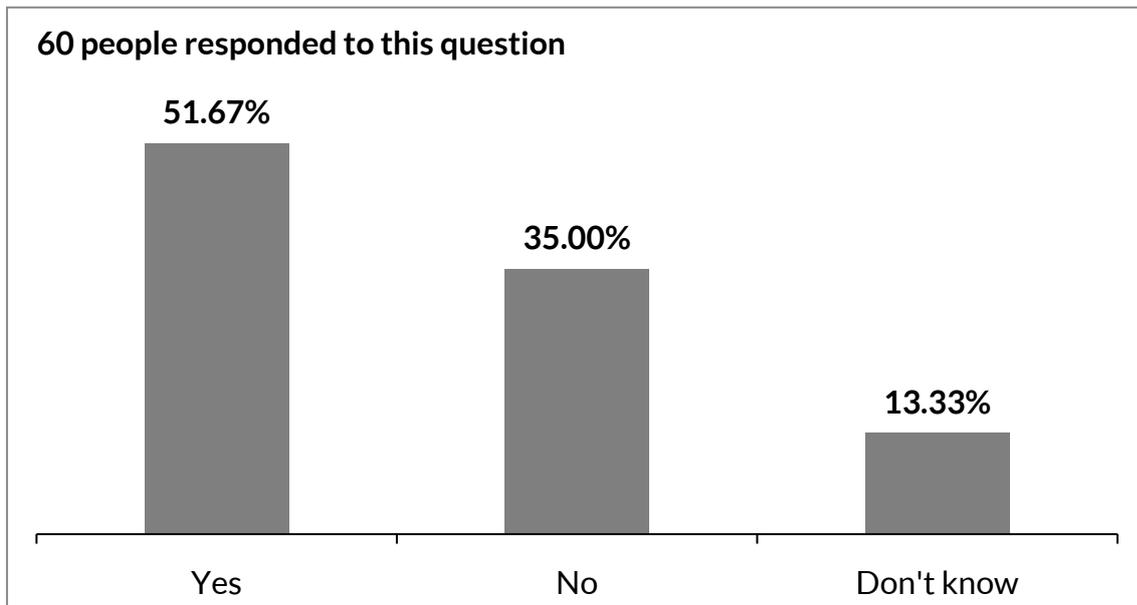
I have worked and paid into my £12500 pension pot and being currently penalised by a lot being deducted from my benefit award

Those with savings should expect Local Government to cover their costs. As long as regular incomes are deducted from the amounts used.

### Option 9

To remove the restriction on claiming Council Tax Reduction for certain students

Do you think Option 9 should be introduced into the Council Tax Reduction Scheme for 2019/20?



### Comments provided in response to Option 9

The restriction should only be removed for students that come from well off families on a high income

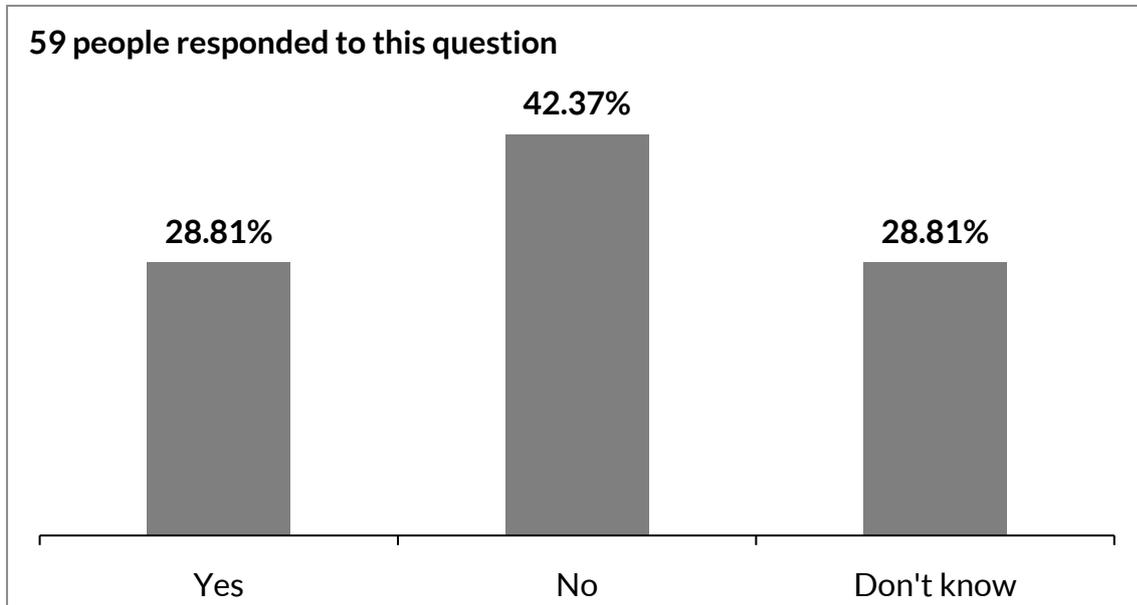
From the information given, impossible to judge what % of students would be affected, and whether or not it is fair

It doesn't make it clear what constitutes 'certain students' - very vague

**Option 10**

**To remove the Extended Payment provisions**

**Do you think Option 10 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



**Comments provided in response to Option 10**

As I understand it, at the beginning of an award of CTR, it is payable from the start of the payment week following the date of claim. If this timetable is retained (setting it at odds with the UC payment timetable, which is paid 5 weeks in arrears from the date of claim), i see no reason to retain extended payments. But this Option is presented without information about the proposed payment timetable for new claims

What are extended payment provisions?

If people are moving back in to work, they should be given support while they wait for their first pay, which could be a month coming into their bank account.

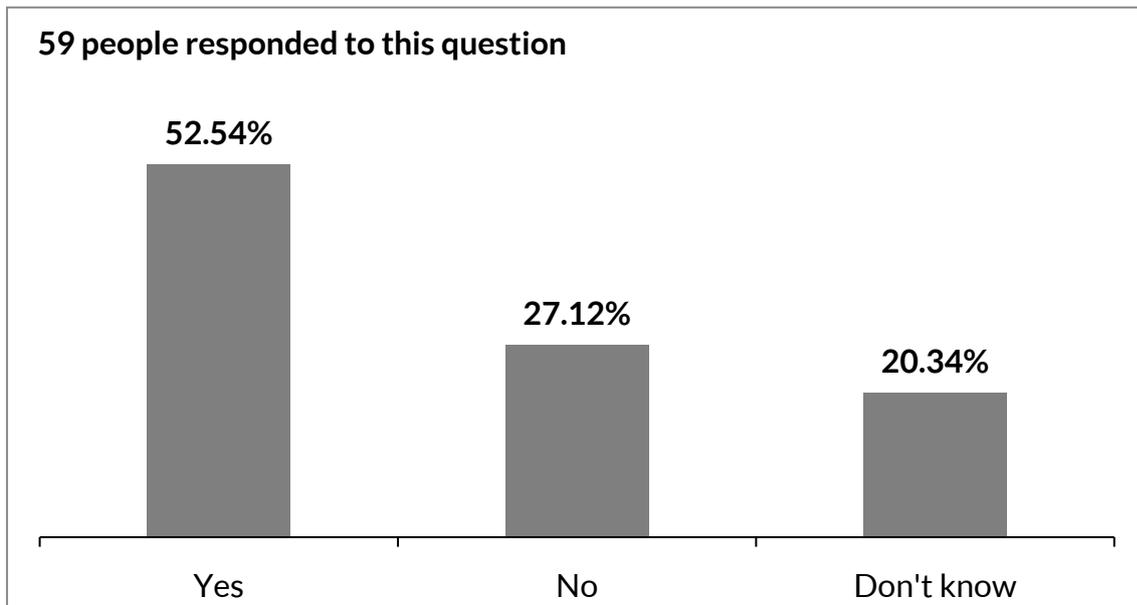
I don't know what these are

If this is the same for Universal Credits, I do not see how keeping it for legacy benefit would be fair to all people.

**Option 11**

**To change the claiming process for all applicants who receive Universal Credit**

**Do you think Option 11 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



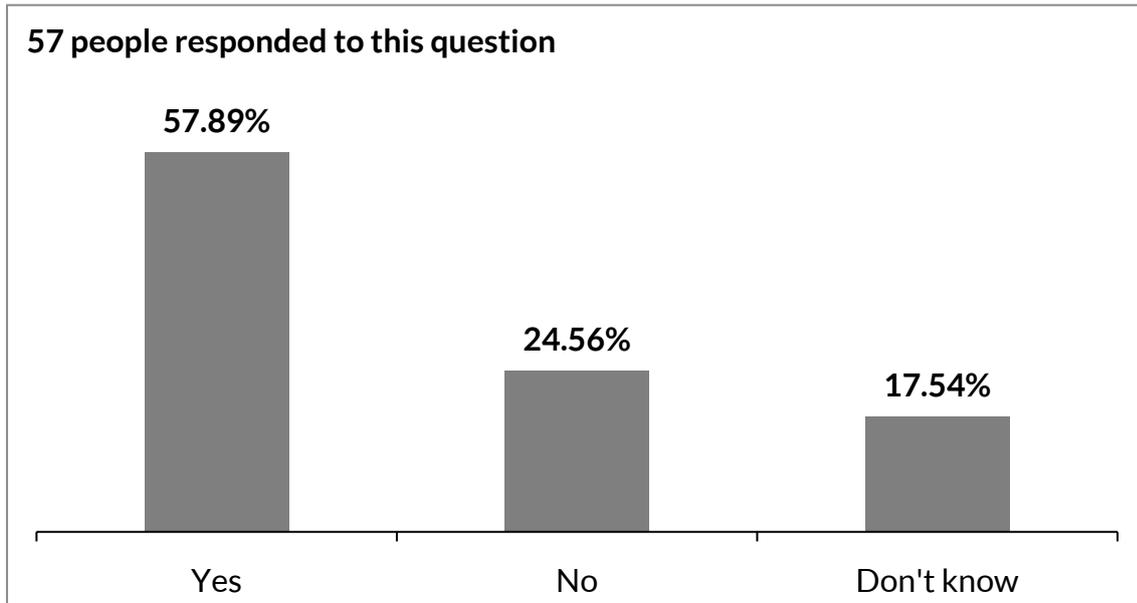
**Comments provided in response to Option 11**

You haven't given enough details of how it would work
Change in what way?
as long we can understand it properly. And staff at Sevenoaks know what they are doing
Save the world one tree at a time! And save on admin delays and costs, what could possibly be wrong with that.
All should pay

**Option 12**

To recalculate Council Tax Reduction entitlement from the actual date on which the change occurs, rather than on a weekly basis, usually being the Monday following

**Do you think Option 12 should be introduced into the Council Tax Reduction Scheme for 2019/20?**



**Comments provided in response to Option 12**

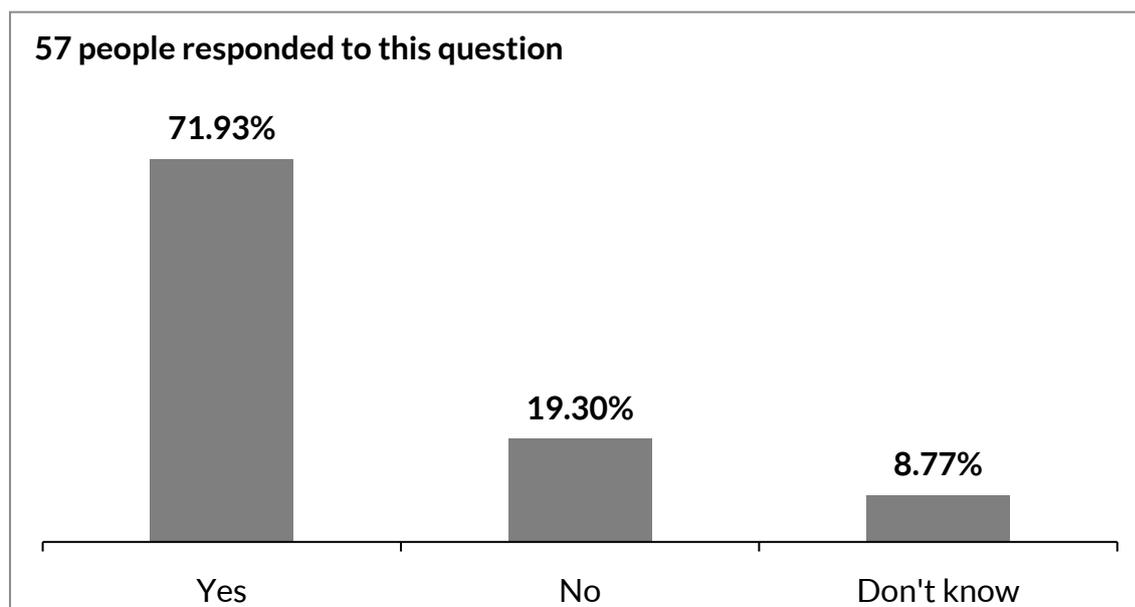
As long as its not left too long and a lot of backdated money owed it then asked for by you

How would this look for data entry. Would this mean using different dates for HB/CTS as relevant benefit changes do? If a person had 3 changes of income in the same week, would you need to recalculate their entitlement 3 times? Same with capital/savings changes, does this mean that if an applicant went over, then below, then over..... and so on, that changes would need to be made on a daily basis?

### Option 13

To remove the need for the applicant to prove 'good cause' and replace with a general discretion of the Council to allow claims to be backdated

Do you think Option 13 should be introduced into the Council Tax Reduction Scheme for 2019/20?



### Comments provided in response to Option 13

It all depends on how the Council choose to exercise their discretion. The Good Cause provisions at least provide some legal basis for a claimant to argue for backdating. The Consultation says that this requirement is currently too restrictive, but the impact of this change cannot be judged in advance when it depends on the "exercise of discretion"

There is no need for either "good cause" or "general discretion" - all claims should be automatically backdated to the date on which the claimant's circumstances changed and they became eligible for (more) support, in the same way that it is always backdated when a claimant becomes eligible for less or no support.

As long as it's fair to the claimant

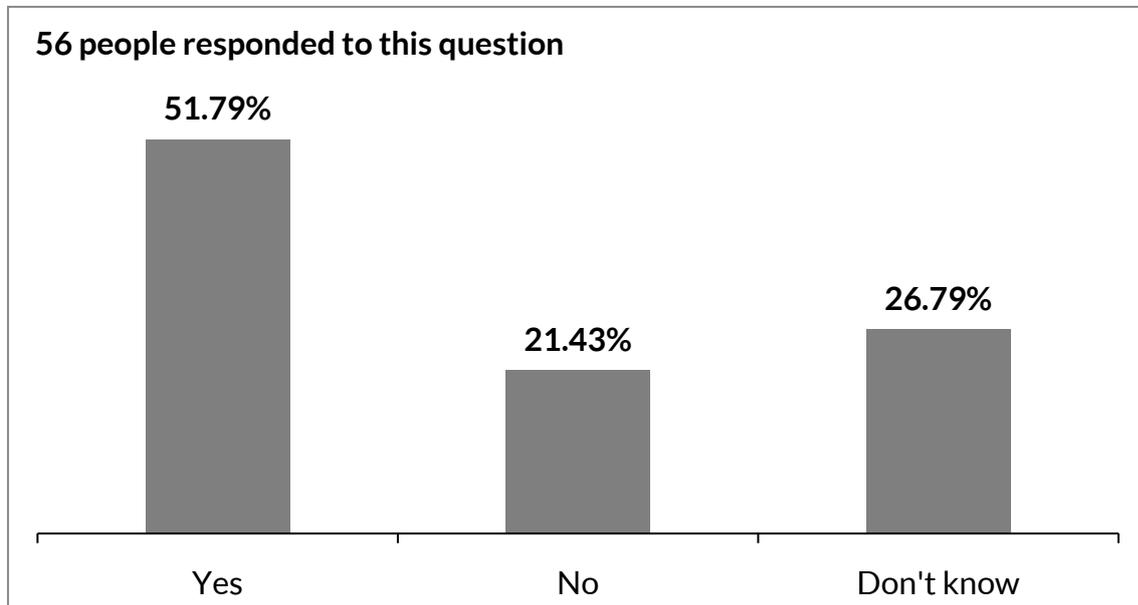
difficult to provide proof needed and it helps people to not be financially worse off

If CTS is in payment already changes are automatically assessed for their eligibility no matter how far the changes go back. However, this is not the case for new applications. I think we should consider changes in the same financial year (April to April) to be reported on time and allow any reduction within that financial year.

### Option 14

To change the minimum award of Council Tax Reduction to £1 per week.

Do you think Option 14 should be introduced into the Council Tax Reduction Scheme for 2019/20?



**Comments provided in response to Option 14**

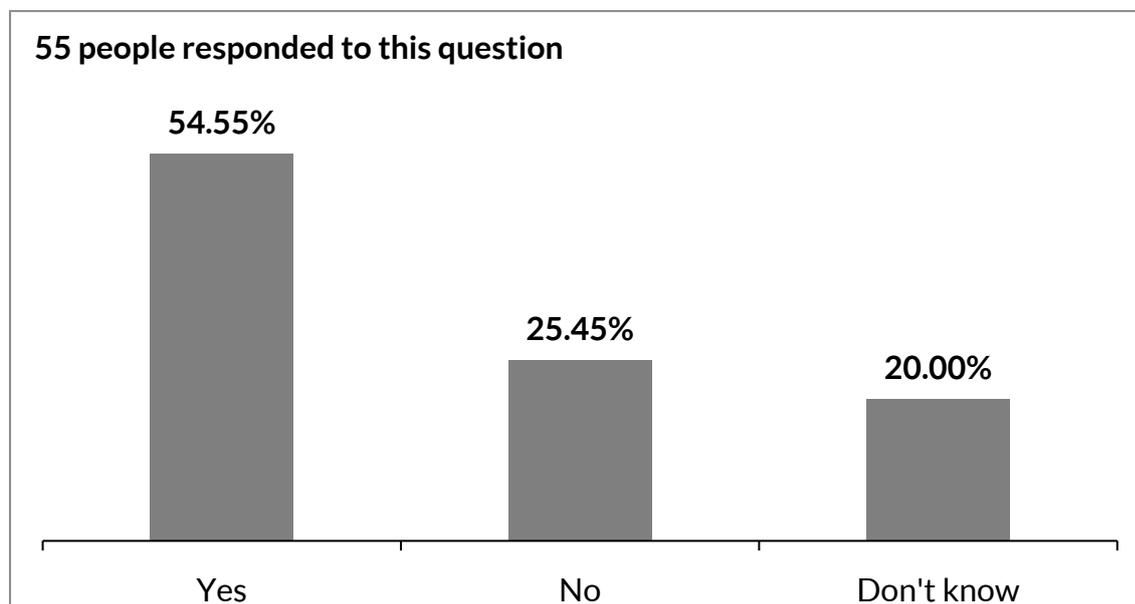
Not enough details to give an opinion

Long overdue

An entitlement is an entitlement, however small. If it is owed, it should be paid.

**Opinion on changing the scheme**

**Should the Council change the existing Council Tax Reduction Scheme from 1 April 2019 based on the proposed options detailed above?**



**Comments provided in response to the proposals for the Council Tax Reduction Scheme for 2019-20**

<p>Most of these changes sound fair and necessary. But it does need to remain a fair income based system</p>
<p>I don't want any change because the CT that I pay now is quite a bit percentage wise out of my small income</p>
<p>This Consultation only provides two options</p> <p>1) carry on as now, with potential consequences (described as additional options, but not really) OR</p> <p>2) move to the proposed grid scheme (Option 1), with many associated detailed changes (described as Options 2-14, but most of these are dependent on Option 1)</p>
<p>Only change if a majority vote returned</p>
<p>The scheme should be changed, incorporating some but not all of the above proposals. One aspect that should definitely be addressed is the discriminatory feature in the current scheme, where disabled self-employed people are assumed to have an income that does not actually exist.</p>

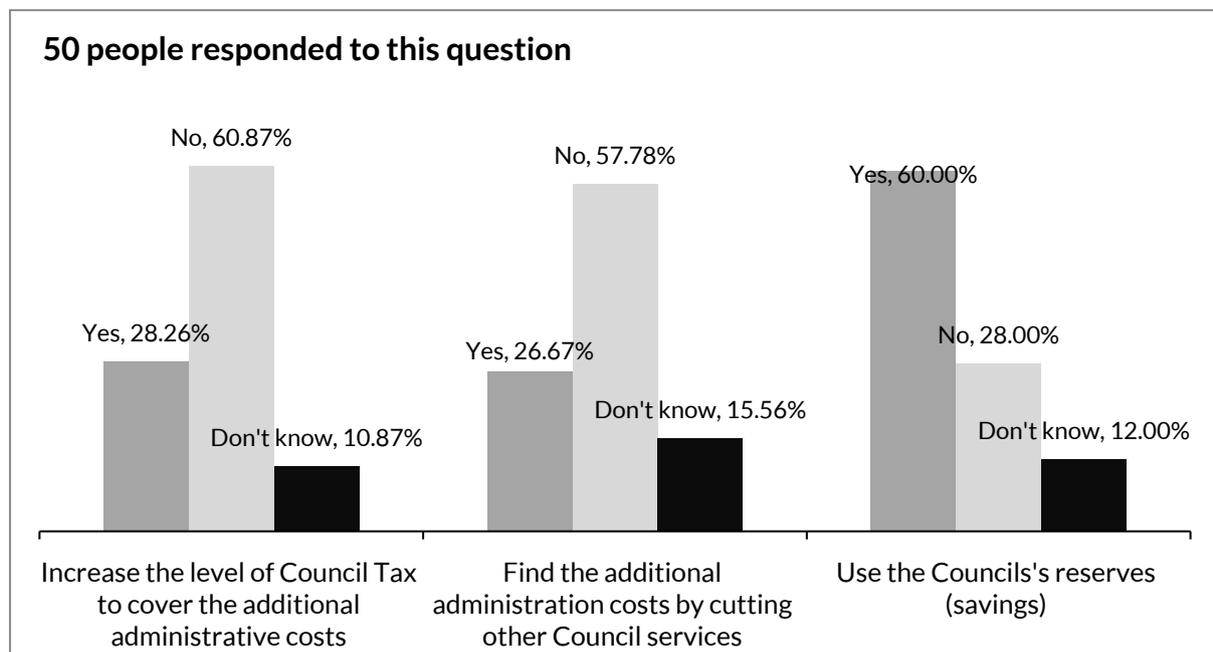
Appendix A

<p>but 2nd adult rebate should still be allowed or more young adults on low incomes will be homeless</p>
<p>Not sure all that is proposed is correct, but council certainly do need to find a more efficient way of calculating tax payments due and not keep sending out a new bill when people knew the first bill, was incorrect complete waste of time and money. So I quite understand the new to review system not just because of universal credit though, as they may not even continue the way the government are going about implementation of this.</p>
<p>Changes should still remain fair to people on a low income...this survey is very vague with the information supplied</p>
<p>Make it easier for self employed claimants who have dependants as we can only work when we have childcare. Capping them has produced hardship</p>
<p>It is claimed the council is not looking to reduce the overall level of support to claimants, however it appears from the proposed changes that my and my wife's council tax would double under your income related grid...even at discount level 2.</p>
<p>These are all ok in theory, as long as people who are already struggling are not left in a worse off situation</p>
<p>Because i will help the disable people on benefits.</p>
<p>Needs to be changed as people struggle to pay large amounts of council tax</p>
<p>Overall the changes are both beneficial to the Council Tax payer and the administrative.</p>
<p>if you claim universal credit your details should automatically be passed to the council and the council tax discount should automatically be calculated</p>
<p>Whoever put these proposals together have done a good job. They are clearly set out, easy to understand and they show a thoughtful and intelligent approach to the difficulties some residents face.</p>
<p>its good to update things but not if the public that's needs the help suffer with extra backdated bills as we have ended up with and complicated forms and not being advised when you owe money. Also train your staff so they give the correct benefit info. We were told pip for non dependants was not counted until they were 25, you've asked for it for a 23 year old.</p>
<p>People on low income should be rewarded full amount of council tax</p>
<p>Anyone claiming relief from Council Tax should be drug and alcohol tested.</p>

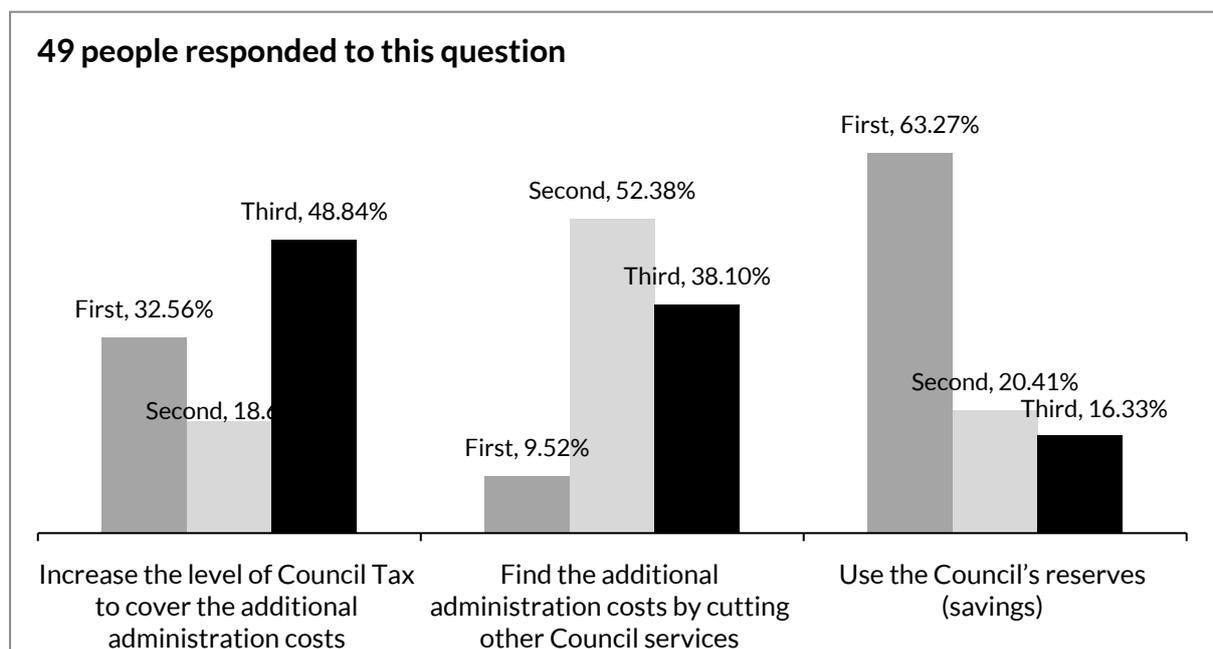
### Alternatives to changing the Council Tax Reduction Scheme

If we do not make any changes to our Council Tax Reduction Scheme, it will be administratively more complex and it will cost taxpayers more. If this happens we will need to find savings from other services to help meet the increase in costs. The proposals set out in this consultation will deliver administration savings. The alternatives include continuing with the current scheme, reducing funding to other Council services to pay for additional administration costs and using the Council’s reserves (savings) to keep the Council Tax Reduction scheme.

#### How do you think we should meet the increased costs?



#### Based on your answers above, please rank your order of preference



**Comments about other options the Council should consider as alternatives to changing the scheme**

<p>The Council's savings should only be used in a limited amount depending how much the council has in its savings</p>
<p>As already stated, the consultation only presents two options - stay as now (clearly not in line with the switch to UC), or change to the grid option, with associated changes.</p> <p>It would have been more meaningful to separate out the estimated changes to overall CT revenue from the proposed CTR changes, and the estimated changes to admin costs</p>
<p>Use the savings from the reduction in the cost of running the Housing Benefit department following the move to Universal Credit for many claimants.</p>
<p>Daft question you have. Already explained none of these feasible. And obvious that you need to change the way you administer certainly not cut other services.</p>
<p>Cut administration costs but not services provided</p>
<p>Yes....I have a proposal that those with savings over £6,000 be allowed to use that extra money to pay the following year's council tax in advance, perhaps with some sort of discount included.</p>
<p>Increase the cost of residents' parking permits and visitor parking permits, which are quite a low price.</p> <p>Stop providing black refuse sacks. As long as you provide the same identifiable clear sacks for recycling, it should be straightforward on refuse collection day. Increase the price of garden bags.</p>
<p>Stop getting brand new vehicles for council use. Seen a New BMW electric 18 reg car, new road vehicles etc. Use them for longer, get more use out of them</p>
<p>Can not cut services any more already don't have grass and roadside bins emptied or litter picked enough as it is! So much for tidy Swanley in bloom!!</p>
<p>A scheme based on total household income (including other adults in the property) should be considered.</p>
<p>Make the unemployed pay the same and reduce their benefits. Also there are loads of people committing benefit fraud come down hard on them and take away their benefits</p>

**Further comments made regarding the Council Tax Reduction Scheme that respondents hadn't had the opportunity to raise elsewhere**

Refer to previous page

When making any changes to the CT reduction please take into accounts a person's individual circumstances such as health. I have had a number of chronic health problems for over 30 years. I have had angina for many years and since 2010 have had two heart attacks. In terms of a small increase in my small pension every year for a good number of years I have had less Council tax benefit. This has meant that some years I have been worse off over the year. The Council Tax I pay now is a fair chunk out of my income

Stop discriminating against self-employed disabled people by assuming that they have income that does not actually exist.

any scheme needs to be easy to follow and easy to understand by both staff and recipient. And set out in black and white so we can check we are given the correct level of support

Equality Impact Assessment

<p><b>Summary of decision to be made:</b></p>	<p>Since 1 April 2013, the Council has maintained a local Council Tax Reduction Scheme. The Council has the ability to determine the level of reduction given to working age applicants only. The scheme for pension age applicants is determined by Central Government.</p> <p>We have decided to complete a full review of the scheme and proposed the introduction of an income grid model. The objectives of the review are to:</p> <ul style="list-style-type: none"> <li>- Address the problems posed by full service Universal Credit</li> <li>- Simplify the claiming process for all applicants.</li> <li>- Improve the speed of processing</li> <li>- Maximise entitlement to every applicant.</li> <li>- Maintain council tax collection rates</li> </ul>		
<p><b>Lead Officer (job title):</b></p>	<p>Benefits Manager</p>		
<p><b>Date the final decision is due to be made:</b></p>	<p>20/11/2018</p>	<p><b>Date this assessment commenced:</b></p>	<p>01/10/2018</p>
<p><b>Is the decision relevant to the aims of the Public Sector Equality Duty to:</b></p>			
<p>Eliminate discrimination, harassment and victimisation</p>			<p>Yes</p>
<p>Advance equality of opportunity</p>			<p>Yes</p>
<p>Foster good relations</p>			<p>Yes</p>
<p><b>Background</b></p> <p>The Council Tax Reduction scheme replaced Council Tax Benefit with effect from 1 April 2013. Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.</p> <p>The current scheme (2018/19) for working age applicants is based on the previous Council Tax Benefit means test, but has been amended since 2013. The following rules currently apply to working age applicants only:</p> <ol style="list-style-type: none"> <li>a. All working age applicants are required to pay a minimum of 20% towards their Council Tax liability;</li> <li>b. If a person is self-employed, a minimum income floor may be imposed where a person’s income is less than expected after two years of trading, this could be based on 35 hours x National Living Wage. There are some exemptions to this.</li> </ol> <p>The scheme has been amended each year for general changes in applicable amounts (primarily in relation to disability premiums) and for non-dependant deductions.</p> <p>In view of the problems being experienced with Universal Credit, the Council Tax Reduction schemes for Sevenoaks has been fundamentally redesigned to address;</p> <ol style="list-style-type: none"> <li>a. The problems with the introduction of full service Universal Credit; and</li> </ol>			

## Equality Impact Assessment

- b. The inevitable increase in administration costs due to the high level of changes received in respect of Universal Credit.

Work has been undertaken since January 2018 on a new scheme which is now completed and been subject to consultation. If accepted by Council, the new scheme will be implemented from 2019/20. The new scheme has a number of features as follows:

- a. The overall expenditure (cost) of the scheme will remain broadly as at present;
- b. The changes can **only be made to the working age schemes** as the current scheme for pensioners is prescribed by Central Government;
- c. The current means - tested scheme will be replaced by a simple income grid model
- d. It is recommended that the highest level of discount will be set at current maximum level of liability (80%) and all current applicants that are in receipt of a 'Passported Benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount;
- e. All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- f. The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- g. Limiting the number of children used in the calculation of support to two for all working age applicants. This will bring the scheme in line with Universal Credit;
- h. Where an applicant had non-dependants living with them, no deduction shall be made from any entitlement. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters for example remain at home;
- i. To remove Second Adult Rebate;
- j. To encourage work, a standard £25 per week disregard will be provided against all earnings for all applicant types. This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a child care disregard (for child care costs not paid for by Central Government schemes), this has been allowed for within the income levels in the 'grid scheme';
- k. Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded and, in addition, the Support Component of Employment and Support Allowance and Carer's Allowance will also be disregarded, again providing additional protection with the scheme
- l. Where an applicant is disabled, they have a disabled child or receive the Support Component of the Employment and Support Allowance, the amount they receive as a premium under the existing scheme will be replaced by an equivalent income disregard (in addition to the disregard of disability benefits as outlined in k. above)

## Equality Impact Assessment

- m. The total disregard on war pensions and war disablement pensions will continue;
- n. The capital limit under the new scheme will be £6,000. This is a reduction from the current level of £16,000. Any capital below this level will not have any effect on the applicant's entitlement to Council Tax Reduction;
- o. Removes the conditions that prevent certain students from claiming Council Tax Reduction;
- p. Removing extended payment provision;
- q. Changing the CTRS claiming process for all applicants who receive Universal Credit;
- r. Making , all changes in circumstances which change any entitlement to Council Tax Reduction on a daily basis rather than the current (benefit based) weekly basis;
- s. Where a request is made to backdate entitlement, the current scheme requires the applicant to prove 'good cause'. The new scheme will replace 'good cause' with a general discretion to backdate, and
- t. The scheme will have a minimum award of £1.00 per week

The impact assessment considers the cumulative effect of these changes, as the new scheme, on all working age applicants for a reduction in their council tax. The impact assessment is modelled on data from existing customers in receipt of a council tax reduction.

#### Relevance to the Public Sector Equality Duty

The need to ensure that the scheme is not unlawfully discriminatory is relevant to the first aim of the duty to eliminate discrimination, harassment and victimisation.

The need to consider how we can take steps to meet the needs of people with protected characteristics and whether people with disabilities may need to be treated more favourably, in how the scheme is designed, is relevant to the second aim of the duty to advance equality of opportunity.

The proposed service changes could also be relevant to fostering good relations with regard to maintaining the confidence and trust in the local authority by people with protected characteristics who may use our services.

Equality Impact Assessment

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
Disability	<p>It should be noted that 62% of current applicants are on ‘passported benefits’ and under the proposed new scheme will see their entitlement to discount protected at Band 1. This will include a proportion of disabled applicants.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable to those with a disability is £875.90 per year. Under the new scheme this would reduce to £839.00 per year. This is a reduction of £36.90 per year, the equivalent of £0.71 per week.</p> <p>Under the current scheme the average council tax reduction payable to those without a disability is £730.15 per year, which would increase by £15.41 per year (£0.30 per week) to £745.56 per year under the new scheme.</p> <p>It is estimated that 10 applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £824.05 in council tax discount. This is as a direct result of the proposal to reduce the capital limit to £6,000.</p>	<p>Under the current scheme, data shows that on average an applicant with a disability receives £145.75 more in discount on their council tax bill per year than an applicant without a disability.</p> <p>Under the new scheme an applicant with a disability would receive £93.43 more in discount on their council tax bill per year than an applicant without a disability.</p> <p>On average a disabled applicant will receive 71 pence per week less in council tax discount than under the proposals for the new scheme.</p> <p>This is explained by the level of household income being applied to the grid model reducing the level of entitlement to discount.</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

--	--	--	--

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
<p>Carers</p>	<p>It should be noted that 62% of current applicants are on ‘passport benefits’ and under the proposed new scheme will see their entitlement to discount protected at Band 1. This will include a proportion of carers.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable to those that are carers is £879.36 per year. Under the new scheme this would increase to £915.62 per year. This is an increase of £36.26 per year, the equivalent of £0.70 per week.</p> <p>Under the current scheme the average council tax reduction payable to those that are not carers is £738.50 per year, which would increase by £7.35 per year (£0.14 per week) to £745.85 per year under the new scheme.</p> <p>It is estimated that 2 applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £493.78 in council tax discount. This is as a direct result of their income exceeding</p>	<p>Under the current scheme, data shows that on average an applicant that is a carer receives £140.86 more in discount on their council tax bill per year than an applicant that isn’t a carer.</p> <p>Under the new scheme an applicant that is a carer would receive £169.77 more in discount on their council tax bill per year than an applicant that isn’t a carer.</p> <p>On average a carer will receive 70 pence per week more in council tax discount under the proposals for the new scheme.</p> <p>This is explained by the level of household income being applied to the grid model increasing the level of entitlement to discount.</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

	the levels set out for Band 5 of the income grid model.		
--	---	--	--

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
Sex	<p>It should be noted that 62% of current applicants are on ‘passport benefits’ and under the proposed new scheme will see their entitlement to discount protected at Band 1.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable to female applicants is £720.75 per year. Under the new scheme this would increase to £739.79 per year. This is an increase of £18.98 per year, the equivalent of £0.37 per week.</p> <p>Under the current scheme the average council tax reduction payable males is £826.84 per year. Under the new scheme this would decrease to £809.61 per year. This is a decrease of £17.23 per year, the equivalent of £0.33 per week.</p> <p>It is estimated that 54 female applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £646.49 in council tax discount. This is as a direct result of their capital exceeding the proposed limit of £6,000, the removal of the second adult rebate or their income exceeding the levels set out for Band 5 of the income grid model.</p>	<p>Under the current scheme, data shows that on average a male applicant receives £106.09 a year more in discount on their council tax bill per year than a female applicant.</p> <p>Under the new scheme a male applicant would receive £69.88 more, on average, in discount on their council tax bill per year than a female applicant.</p> <p>The sex of the claimant is not a material consideration in the calculation of council tax discount. The variation in the amounts payable is linked directly to individual circumstances rather than a particular feature or aspect of the scheme. For example a single male with the same costs, income and capital as a single female applicant would receive exactly the same level of discount. This would equally be the case if the applicants had children of the same age.</p> <p>However the proposals under the scheme would reduce the average variance between male and female claimants. This is explained by the level of household income being applied to the grid model increasing the level of entitlement to discount.</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital, second adult rebate or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

Equality Impact Assessment

	<p>It is estimated that 26 male applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme. These claimants currently receive on average £830.00 in council tax discount. This is as a direct result of their capital exceeding the proposed limit of £6,000, the removal of the second adult rebate or their income exceeding the levels set out for Band 5 of the income grid model.</p>		
--	--	--	--

Agenda Item 6

Equality Impact Assessment

For each of the following characteristics:	Summarise available data, statistics or consultation findings.	State how the proposal will impact on people.	What action will be taken to reduce or mitigate any potential negative impacts
<p>Age (also consider dementia)</p>	<p>It should be noted that 62% of current applicants are on ‘passport benefits’ and under the proposed new scheme will see their entitlement to discount protected at Band 1.</p> <p>The data that follows evaluates the impact on the remaining 38% of current applicants that apply directly to the council for a discount in their council tax.</p> <p>Under the current scheme the average council tax reduction payable by age band is shown below:                      18-24: £584.94                      25-34: £699.47                      35-44: £772.96                      45-54: £758.40                      55-65: £765.56</p> <p>Under the new scheme the average council tax reduction payable by age band, and the average change from the existing scheme is estimated to be:                      18-24: £702.53 (+ £117.59/year or £2.26/week)                      25-34: £684.30 (+ £15.17/year or £0.29/week)                      35-44: £726.00 (-£46.96/year or £0.90/week)                      45-54: £818.40 (+£60.00/year or £1.15/week)                      55-65: £816.33 (+£50.77/year or £0.98/week)</p> <p>The number of applicants that are currently entitled to a reduction in their council tax would not qualify for a discount under the new scheme are shown by age band below, with the current average amount they receive in council tax discount.</p>	<p>Under the current scheme, data shows that on average that older age groups receive more in discount than those in younger age groups. The gap between the lowest average discount of £584.94 (18-24 year olds) to the highest average discount £772.96 (35-44 year olds) is £188 per year, the equivalent of £3.62 per week.</p> <p>Under the new scheme this broadly continues to apply. However the gap between the lowest average discount of £684.30 (25-34 year olds) and the highest average discount (45-54 year olds) is reduced to £134.11 a year, the equivalent of £2.58 per week.</p> <p>The age of the claimant is not a material consideration in the calculation of council tax discount. The variation in the amounts payable is linked directly to individual circumstances rather than a particular feature or aspect of the scheme. For example a single female aged 25 with the same costs, income and capital as a single female applicant aged 57 would receive exactly the same level of discount. This would equally be the case if the applicants had children of the same age.</p> <p>However the proposals under the scheme would reduce the average variance between age groups. This is</p>	<p>The income grid model has been re-evaluated and the income levels applied to each band amended between the pre-consultation and post-consultation phase.</p> <p>This is to ensure that the overall impact on all claimants is minimised.</p> <p>The Council also makes available an Exceptional Hardship Policy which applicants can apply to should the new scheme impact them significantly. To ensure the scheme remains accessible to claimants who may no longer qualify as a result of capital, second adult rebate or income rules the Policy is proposed to be amended to those that were in receipt of a reduction within the last six weeks.</p>

## Equality Impact Assessment

	<p>18-24: 3 applicants, average discount £466.12  25-34: 17 applicants, average discount £657.07  35-44: 22 applicants, average discount £673.75  45-54: 17 applicants, average discount £750.35  55-65: 21 applicants, average discount £778.23</p> <p>The majority of those in age groups from 18 to 44 would not qualify for a discount as a direct result of their income exceeding the levels set out for Band 5 of the income grid model.</p> <p>The majority of those in age groups from 45 to 65 would not qualify for a discount as a directly result of their capital exceeding the proposed limit of £6,000.</p>	<p>explained by the level of household income being applied to the grid model increasing the level of entitlement to discount.</p>	
<p>Race  Religion / Belief  Sexual Orientation  Pregnancy / Maternity  Marital or Civil Partnership Status  Gender reassignment  Armed Forces  Community</p>	<p>No data is held on these protected characteristics of applicants for a discount on their council tax.</p>	<p>The Council does not collect information about these protected characteristics from claimants as it is not relevant to the calculation of council tax reductions.</p>	<p>Not applicable.</p>

Equality Impact Assessment

Please tick the outcome of this assessment:	No impact	Adjust the policy	Continue the policy ✓	Stop and remove the policy
Please explain why you have come to the outcome of your assessment:	<p>The objectives of the comprehensive review of the local council tax support scheme are to:</p> <ul style="list-style-type: none"> <li>– Address the problems posed by full service Universal Credit;</li> <li>– Simplify the claiming process for all applicants;</li> <li>– Improve the speed of processing;</li> <li>– Maximise entitlement to every applicant; and</li> <li>– Maintain council tax collection rates.</li> </ul> <p>The income grid scheme proposed ensures that overall spending on council tax discount to support residents will remain in line with the amount spent under the current scheme.</p> <p>Alongside this measures to ensure that all passported benefits claimants maintain the highest level of discount and simplifying the claiming process ensure that the objectives are being met.</p> <p>It is recognised that within this proposal there will be applicants that will receive more discount as a result of the new scheme and there will be applicants that will either receive less discount or no discount at all. The principles on which the scheme are designed ensure that those with the least income and the least amount of savings (capital) are entitled to greater levels of discount.</p> <p>Reasonable adjustments have been proposed to the scheme to support those that would be worst affected. Firstly, the income grid bands have been revised post-consultation to ensure the scheme delivers on its aim to maintain current spending and to support those on lowest incomes more greatly. Secondly, it is proposed to amend the Exceptional Hardship Policy ensuring it remains accessible to claimants who were in receipt of a discount within the last six weeks. The current Policy is only open to applicant’s currently in receipt of a discount and it is recognised this would be insufficient when introducing new scheme rules.</p>			
When will you review this assessment:	31/10/2019			

This page is intentionally left blank

**LAND AT JENKINS NECK WOOD, SHACKLANDS ROAD, BADGERS MOUNT**

**Finance Advisory Committee - 15 November 2018**

Report of                      Chief Finance Officer

Status:                         For Recommendation to Cabinet

Also considered by:        Cabinet - 6 December 2018

Key Decision:                Yes

---

**Executive Summary:** This report provides an update on the proposed disposal of surplus property assets at Jenkins Neck Wood, Shacklands Road, Badgers Mount

---

**This report supports the Key Aim of Value for money**

Portfolio Holders        Cllr John Scholey, Cllr Peter Fleming

Contact Officer         Andrew Stirling, Ext 7099

---

**Recommendation to Finance Advisory Committee:** That the Committee considers the options outlined in the report and recommends to Cabinet their preferred option for the disposal of surplus land at Shacklands Road, Badgers Mount.

**Recommendation to Cabinet:** That

- a) Cabinet considers the options outlined in the report and any recommendations from Finance Advisory Committee and agree a preferred option for the disposal of surplus land at Shacklands Road, Badgers Mount; and
  - b) delegated authority be given to the Head of Economic Development and Property to agree detailed Heads of Terms for the disposal of any parts of the land that are agreed to be sold subject to (a) above.
- 

**Reason for recommendation:** Disposal of surplus and underperforming assets will generate capital receipts that can be reinvested in higher performing assets in accordance with the Council's approved Property Investment Strategy.

---

**Introduction and Background**

- 1        The Council owns an area of woodland, amounting to approximately 12.5 acres, in Badgers Mount adjacent to the M25 motorway. This land lies outside of the areas of woodland managed by the District Council as an amenity for the public. The land is shown on the attached plan. The

## Agenda Item 7

woodland surrounds two cottages and a small depot and yard used by the District Council to manage the woodland in the area. It is proposed to retain the depot, yard and some adjacent land.

- 2 Part of the woodland has been sold on a long lease to the owner of 1 Shacklands Cottages and is shown cross hatched on the attached plan. The owner has enquired about acquiring the freehold of the land they already hold the long leasehold interest on. They have also asked about re-arranging the entrance to their property and the Council's adjacent depot and yard. This would entail the formation of an alternative access into the depot and the disposal of a small area of land to the adjoining owner.
- 3 The owner of the property, Sunnyside, has expressed an interest in acquiring the area of woodland, amounting to approximately 4 acres, shown hatched, on the attached plan. There was also interest in 2015 from the owner of No.2 Shacklands Cottage in acquiring land between their property and the motorway.
- 4 The woodland provides a visual and aural screen between the adjoining properties and the M25 motorway. The woodland is the subject of a Tree Preservation Order, which covers the whole site and it is also classed as Ancient Woodland.
- 5 The Cabinet considered this matter at their meeting on 3rd December 2015 and resolved: 'That the Council enter into discussions with Badgers Mount Parish Council for a period of 6 months for the disposal of surplus land at Shacklands Road, Badgers Mount and authorise the Head of Economic Development and Property to agree detailed Heads of Terms'.
- 6 Badgers Mount Parish Council were subsequently contacted and resolved at their meeting on 15 December 2017 to respond to the District Council in the form of the letter attached at Appendix B to this report.
- 7 The Parish Council's position is set out in paragraph 5 of their letter, reproduced here in full:

“BMPC therefore believes it is imperative that the woodland remains in public ownership. If SDC is unwilling to safeguard the woodland itself in perpetuity, then BMPC would be prepared to enter into discussions with SDC with a view to the ownership of the woodland being transferred to BMPC for a nominal sum. In this manner SDC would be relieved of the financial burden of maintaining the woodland in future. BMPC is aware that other tracts of woodland have been transferred in this manner (for example by KCC) into ownership by other parish councils, and BMPC believes this could possibly be the best route forward”.
- 8 The Parish Council also refer to FM Conway's proposals for future development of their site, which is set out in a letter from FM Conway to the Parish Council and attached at Appendix C. The site, reference HO150, is included within the “New Housing and Mixed Use Sites for Consultation” appendix to the draft Local Plan. There is a suggestion that any development

of the site could be linked to the formation of Trust to hold the areas of woodland that surround it for the future. The timetable for the development of the FM Conway site remains unclear at this stage.

## Options

- 9 The Council can either retain the land and the contingent liabilities in its ownership or transfer the land to another party or parties, including the contingent liabilities, by way of a long leasehold interest. The use of a long lease allows the permitted uses of the land to be clearly defined.

There are 4 options open to the Council with regard to the land that would not be retained:

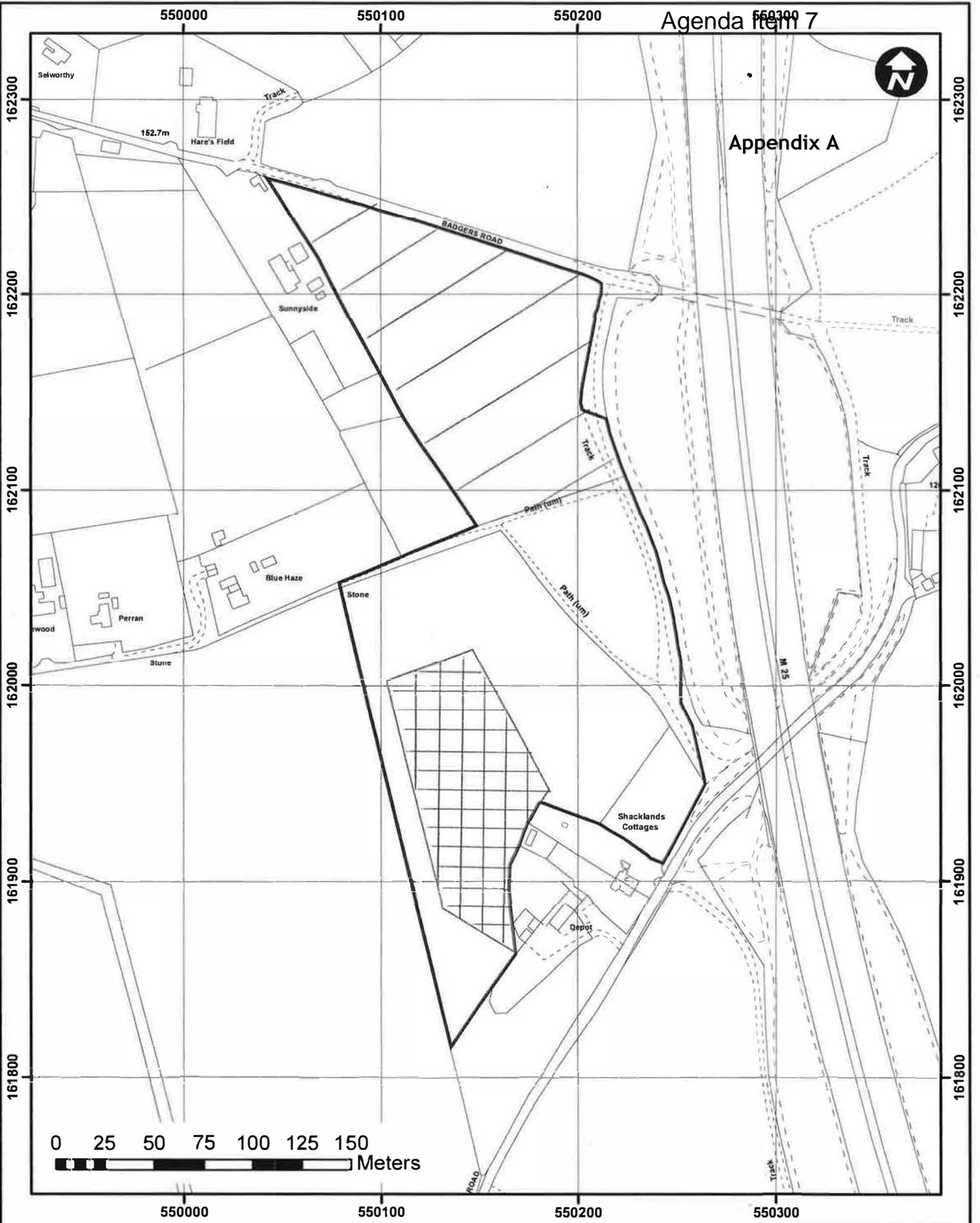
- A transfer of part to the owner of Sunnyside by way of a long lease. This is not without future risk to the maintenance of the woodland, notwithstanding the Tree Preservation Order and use of suitable restrictions within the leasehold interests. The same could apply if there is further interest from No.2 Shacklands Cottages.
- A transfer of the whole to the Parish Council for a nominal consideration by way of a grant of a long leasehold interest. Any transfer would be subject to the Tree Preservation Order and suitable restrictions within the long leasehold interest.
- A transfer of the whole to a Trust linked to any future development of the FM Conway site. This would enable all of the woodland to be managed as one entity. Any transfer would be subject to the Tree Preservation Order and suitable restrictions within the long leasehold interest.
- The first option, transfer of part or parts, will leave residual land and this could either be retained by the Council or offered to the Parish Council or Trust.

The request from the owner of 1 Shacklands Cottage to acquire the freehold of the land they already hold on a long lease would dilute the degree of control over the use of the land.

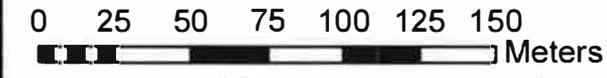
## Conclusions

- 10 The proposals to vary the entrance to the depot and dispose of an area of land to the adjacent owner will benefit both the District Council and adjacent owner through separating access to the depot from the frontage of the neighbouring property.
- 11 The Parish Council have requested that consideration is given to a transfer of the whole woodland to them to safeguard its ownership. They have requested that this is at a nominal sum. The future management and maintenance liabilities would be passed through to them.





Appendix A



Title Information Plan

Scale: 1:2,500  
Date: May 2015

Shacklands Cottages and Adjacent



This page is intentionally left blank

Dear Mr Rowbotham and Cllr Scholey

Jenkins Neck Wood, Shacklands Road

You previously requested an update, email on 13/3/2017 from Cllr Scholey, from Badgers Mount Parish Council (BMPC) regarding progress in relation to the woodland. Our response and the current situation is as follows.

1. BMPC places a very high priority on the protection and preservation of Jenkins Neck Woods (JNW). Since the construction of the M25 in the late 1980's, JNW has formed a vital part of the natural woodland barrier protecting the residents of Badgers Mount from the noise and pollution of the motorway.

The woodland sits within an Area of Outstanding Natural Beauty and is designated Ancient Woodland. It has created an ecological, environmentally friendly barrier to the noise and pollution from the motorway and it has created a haven for wildlife including deer, badgers, foxes, rabbits, many birds and no doubt bats.

2. The importance of the woodland in this regard was fully recognised at the time of the motorway's construction. The particular choice of the M25 route carried with it the implication that the woodland in question would be preserved in perpetuity for the purpose of protecting the residents of Badgers Mount. Owned at that time by the Forestry Commission, the woodland subsequently came into SDC's ownership in 1991. As a result of this transfer of ownership, BMPC believes that SDC has a moral obligation – possibly even a legal obligation – to ensure the continued preservation of this woodland screen. BMPC believes that SDC would be in breach of this obligation were it to sell the woodland into private ownership, particularly if SDC were to seek to profit commercially from such a sale.
3. BMPC wishes to see no increase in the noise and pollution from the M25 affecting the residents of Badgers Mount. SDC sold a long lease on part of JNW in 2008 to the owners of 1 Shacklands Cottages, Shacklands Road. The new owners later felled most of the trees on their land, and Badgers Mount residents along Highland Road reported an increase in traffic noise as a result.
4. BMPC believes that protection and preservation of JNW cannot be guaranteed if the remaining woodland comes into private ownership. SDC has placed a TPO on the woodland. However, BMPC has no confidence that this TPO would in any way be effective in protecting the woodland if it was in private ownership. While SDC might impose conditions or a covenant on the sale to a private owner, there is no guarantee that this could be imposed on subsequent purchasers if the first one decided to sell the woods again. Once felled the woodland would be gone and no amount of fines for breach of the TPO would restore it.

5. BMPC therefore believes it is imperative that the woodland remains in public ownership. If SDC is unwilling to safeguard the woodland itself in perpetuity, then BMPC would be prepared to enter into discussions with SDC with a view to the ownership of the woodland being transferred to BMPC for a nominal sum. In this manner SDC would be relieved of the financial burden of maintaining the woodland in future. BMPC is aware that other tracts of woodland have been transferred in this manner (for example by KCC) into ownership by other parish councils, and BMPC believes this could possibly be the best route forward.
  
6. BMPC is in no position to purchase the woodland from SDC at a “commercial valuation” which SDC informally suggested might be in the region of £80K and has, in any case, no intention of doing so at such a price. If in spite of its obligations to preserve the woodland, as explained above, SDC is nevertheless intent upon realising some commercial value from it, then BMPC would respectfully suggest that the opportunity to do so would likely arise naturally in conjunction with the granting of planning permission for a residential redevelopment of the Chelsfield Depot site on Shacklands Road, currently owned by F M Conway (FMC). The timescale within which such a development might take place is unknown, but it appears likely that it will happen as the site is included in the Sevenoaks Local Plan, now being produced. It is purely a matter of time. We attach for your information, a copy of FMC letter to BMPC dated 02.06.16 (which we believe that you already have a copy of), within which they make it clear that:

*“... we envisage that a management trust of some description would be established as part of the development scheme to take ownership of the woodland, with an endowment towards its long term management ...” and*

*“... FMC is keen to work with the PC and local people to try to devise a way for the woodland to be acquired and managed as part of a coordinated and holistic approach in the future ...”.*

The outer area of woodland surrounding the FMC site is also part of JNW, and it would be good and a natural event for all the woods to be reunited as one again.

Yours faithfully



Sarah Moon  
 Clerk of the Parish Council  
 8 High St  
 Shoreham  
 Sevenoaks  
 Kent  
 TN14 7TD

Thursday 2<sup>nd</sup> June 2016

Dear Sarah,

### **Chelsfield Depot and Andrews Wood**

Further to the meeting that our consultants Peter Brett Associates had with the Parish Council, we have discussed the approach to the potential allocation of the site at Chelsfield Depot for residential development. We also understand the aspirations of the Council to try to secure the woodland both around the site, and more widely between Badgers Mount and the M25, the area known as Andrews Wood, as a buffer for the existing and future settlements.

The woodland within the Chelsfield Depot site is within our own control, as the landowner, and we have already made clear our intention in our discussions with you to retain this as an amenity for the development and the area. This woodland will need some management work as part of any development consent to ensure that it is fit for purpose, and hopefully can be provided with an appropriate level of public access. We envisage that a management trust of some description would be established as part of the development scheme to take ownership of the woodland, with an endowment towards its long term management.

It seems to us that the opportunity to establish a larger area of woodland, including the Andrews Wood area as well, would be a significant benefit to the existing and future communities, and we would be pleased to work with you to try to determine a means of allowing this to happen. We understand that the Andrews Wood area is in the ownership of Sevenoaks District Council, and that they have indicated that they would be willing to sell it to the Parish Council, or a group nominated by the Council, to allow it to be managed for the community in future.

We further understand from you that Sevenoaks DC have indicated that they will give the Parish Council a period to the end of May for them to devise a scheme for the acquisition of the Andrews Wood area. This is not sufficient time for us to be able to work together to see if we can conclude a strategy for the acquisition of the woodland as part of an allocation of the Chelsfield Depot site, as it unfortunately doesn't align with the programme for the development of the Local Plan.

We note that you are intending to approach Sevenoaks DC to ask them to defer the potential sale of the site pending the conclusion of the Local Plan process, as this offers the best opportunity for you to find a way to secure the whole of the woodland area for public benefit for the future. We therefore wish to confirm that we are wholly supportive of this deferral, and that FM Conway is very

## Agenda Item 7



keen to work with the Parish Council and local people to try to devise a way for the woodland to be acquired and managed as part of a coordinated and holistic approach in the future.

In this context, we are very happy for you to share this letter with Sevenoaks DC in aid of your deferral request to them.

Please do not hesitate to contact me if you require any further clarification of our position at this time.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael Conway", is written over a faint, light blue horizontal line.

Michael Conway

Chief Executive Officer

## TREASURY MANAGEMENT MID-YEAR UPDATE 2018/19

### Finance Advisory Committee - 15 November 2018

Report of the: Chief Finance Officer

Status: For Consideration

Also considered by: Cabinet - 6 December 2018

Key Decision: No

---

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

---

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

**Portfolio Holder** Cllr. John Scholey

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

---

**Recommendation to Finance Advisory Committee:** That Cabinet be asked to approve the Treasury Management Mid-Year Update for 2018/19.

**Recommendation to Cabinet:** It be RESOLVED that the Treasury Management Mid-Year Update for 2018/19 be approved.

---

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

---

## Background

### Capital Strategy

- 1 In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following:
  - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
  - an overview of how the associated risk is managed; and

## Agenda Item 8

- the implications for future financial sustainability

A report setting out our Capital Strategy will be taken to Cabinet and the full Council before 31 March 2019.

### Treasury management

- 2 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.
- 3 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.
- 4 Accordingly, treasury management is defined as:  
  
"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

### **Introduction**

- 5 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:
  - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
  - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
  - Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report), covering activities during the previous year;

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions; and
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Finance Advisory Committee.

In addition, monthly reports from our treasury management advisors, Link Asset Services, are emailed to Members of the Finance Advisory Committee.

- 6 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
- An economic update for the first part of the 2018/19 financial year;
  - Interest rate forecasts;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - A review of the Council's investment portfolio for 2018/19;
  - A review of the Council's borrowing strategy for 2018/19; and
  - Any recent treasury management developments.

### Economic update

- 7 **UK.** The first half of 2018/19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee (MPC) to unanimously (9-0) vote to increase Bank Rate on 2 August 2018 from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats - mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.
- 8 Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.
- 9 As for the labour market, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major

## Agenda Item 8

difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9% (3 month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. This meant that in real terms (i.e. wage rates higher than CPI inflation) earnings grew by about 0.4%, near to the joint high of 0.5% since 2009 (the previous high point was in July 2015). Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.

- 10 In the political arena, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, the Link Asset Services' central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.
- 11 **USA.** President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2% (annualised rate) in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Federal Reserve (Fed) increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US (China in particular) could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.
- 12 **EUROZONE.** Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.
- 13 **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.

- 14 **JAPAN** - has been struggling to stimulate consistent significant GDP 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**

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

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

- 16 The flow of generally positive economic statistics after the end of the quarter ended 30 June 2018 meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate (where monetary policy is neither expansionary or contractionary) than before the crash; indeed they gave a figure for this of around 2.5% in ten years’ time but they declined to give a medium term forecast. Link Asset Services do not believe that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. They also feel that the MPC is more likely to wait until August 2019 than May 2019 before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

## Agenda Item 8

### Downside risks to current forecasts for UK gilt yields and PWLB rates

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. This is likely to lead to friction with the EU when setting the target for the fiscal deficit in the national budget. Unsurprisingly, investors have taken a dim view of this and so Italian bond yields have been rising.
- Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the EU while Italy, this year, has also elected a strongly anti-immigration government. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position as a result of the rise of the anti-immigration AfD party. To compound this, the result of the Swedish general election in September 2018 has left an anti-immigration party potentially holding the balance of power in forming a coalition government. The challenges from these political developments could put considerable pressure on the cohesion of the EU and could spill over into impacting the euro, EU financial policy and financial markets.
- The imposition of trade tariffs by President Trump could negatively impact world growth. President Trump's specific actions against Turkey pose a particular risk to its economy which could, in turn, negatively impact Spanish and French banks which have significant exposures to loans to Turkey.
- Weak capitalisation of some European banks.
- Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

### Upside risks to current forecasts for UK gilt yields and PWLB rates

- President Trump's fiscal plans to stimulate economic expansion causing a significant increase in inflation in the US and causing further sell offs of government bonds in major western countries.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of Quantitative Easing (QE), which then leads to a fundamental reassessment by investors of the relative risks of

holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than currently expected.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

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

- 17 The Treasury Management Strategy Statement (TMSS) and Prudential Indicators for 2018/19 were approved by the Council on 20 February 2018. There are no policy changes to the TMSS thus far and the details in this report merely update the position in the light of the updated economic position. Members will be aware that Income Strip Funding deals are currently being investigated by the Council. Dependent on the outcome, changes may need to be made to the TMSS and Prudential Indicators to accommodate this.

### **Investment portfolio 2018/19**

- 18 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 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment 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.
- 19 The Council held £33.633m of investments as at 30 September 2018 (£30.960m at 31 March 2018) and the investment portfolio yield for the first six months of the year is 0.62% against 7 Day and 3 Month LIBID benchmarks of 0.44% and 0.61% respectively. A full list of investments held as at 30 September 2018 appears in the Appendix.
- 20 The approved limits within the Annual Investment Strategy were not breached during the first six months of 2018/19.
- 21 The Council's budgeted investment return for 2018/19 is £157,000 and performance for the year to 30 September 2018 is approximately £40,000 above budget. At this stage, the year-end forecast is expected to be

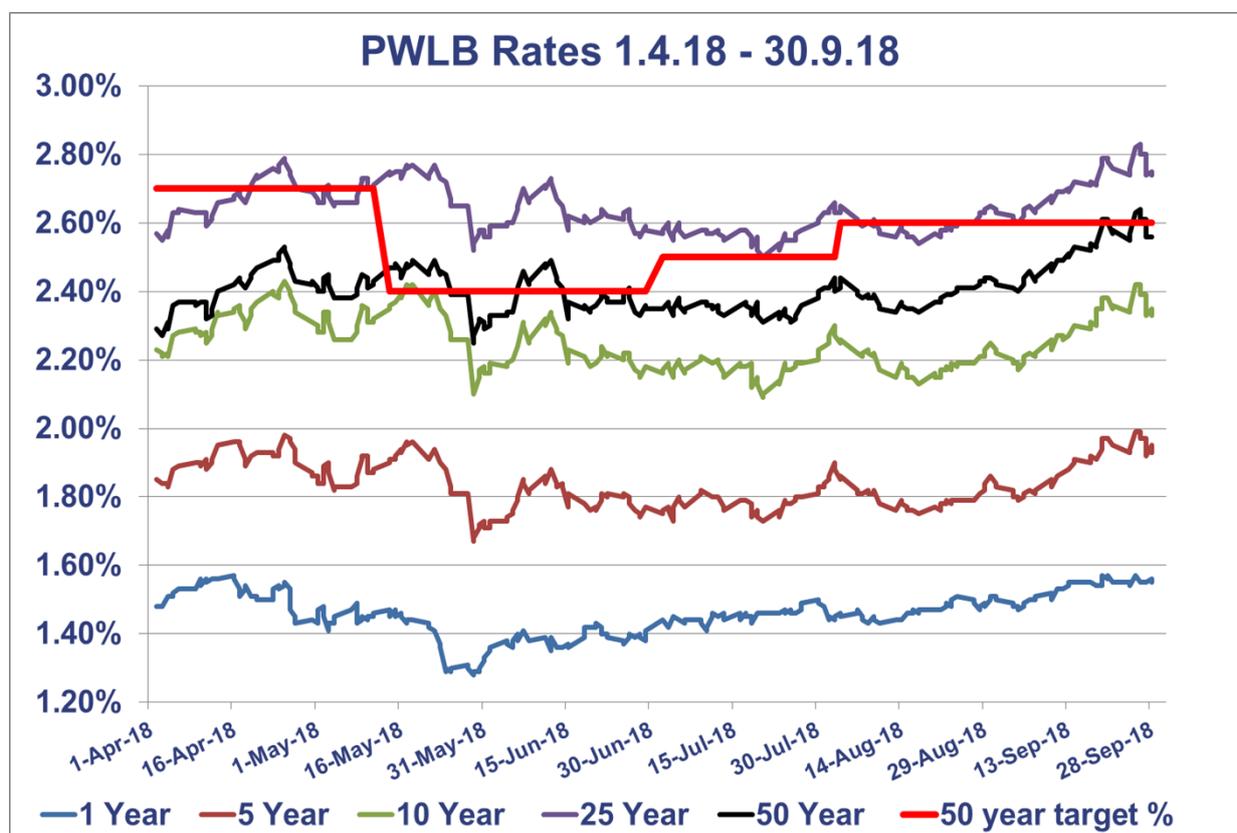
## Agenda Item 8

approximately £70,000 above budget. This has come about because of two increases in Bank Rate that were not allowed for in the budget.

- 22 The current investment counterparty criteria approved in the Treasury Management Strategy Statement is currently meeting the requirements of the treasury management function.

### Borrowing

- 23 As at the end of September 2018 the Council had £5.2m of borrowings, comprising one loan from the Public Works Loan Board (PWLB) for 30 years at 2.66%.
- 24 Other than to fund the possible Income Strip Funding deals mentioned earlier in this report, it is anticipated that no further borrowing will be undertaken during this financial year.
- 25 The graph and table below show the movement in PWLB certainty rates for the first six months of the current financial year:



	1 Year	5 Year	10 Year	25 Year	50 Year
3.4.18	1.48%	1.84%	2.22%	2.55%	2.27%
30.9.18	1.55%	1.93%	2.33%	2.74%	2.56%
Low	1.28%	1.67%	2.09%	2.50%	2.25%
Date	01/06/2018	29/05/2018	20/07/2018	20/07/2018	29/05/2018
High	1.57%	1.99%	2.43%	2.83%	2.64%
Date	17/04/2018	25/09/2018	25/04/2018	25/09/2018	25/09/2018
Average	1.46%	1.84%	2.25%	2.64%	2.41%

## Other recent treasury management developments

### UK banks - ring fencing

- 26 The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required by UK law to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.
- 27 Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank (RFB) will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.
- 28 While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the newly formed entities in the same way that it does others and those with sufficiently high ratings (plus any other metrics that are taken into account) will be considered for investment purposes.

### IFRS9 accounting standards

- 29 This accounting standard came into effect from 1st April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments (e.g. pooled funds, third party loans, commercial investments) are likely to be impacted. The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments.

## 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.

## Agenda Item 8

### 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 2017.
- 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 2018 significantly exceeds the budget and is forecast to increase further by the end of the financial year.
- 37 The percentage yield on the portfolio is 0.62%, 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 2018

**Background Papers:** [Treasury Management Strategy for 2018/19 - Council 20 February 2018](#)

**Adrian Rowbotham**  
Chief Finance Officer

**SEVENOAKS DISTRICT COUNCIL**

List of Investments as at:- 30-Sep-18

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.		333,383	01-Oct-11			0.55000%	Variable	Direct
	Svenska Handelsbanken AB (Deposit A/C)	AA-	Sweden		0	23-Jul-14			0.40000%	Variable	Direct
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA-	Sweden		1,000,000	01-Sep-16			0.50000%	Variable	Direct
	Aberdeen Standard Liquidity Fund (Money Market Fund)	AAA	U.K.		3,600,000	11-May-12				Variable	Direct
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		1,700,000	11-May-12				Variable	Direct
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		2,000,000	13-Oct-16				Variable	Direct
IP1357	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	09-Aug-17	0.45000%	31-Mar-19	0.80000%	95 Day Notice	Direct
IP1385	Goldman Sachs International Bank	A	U.K.		3,000,000	15-May-18	0.80000%	15-Nov-18		6 Months	Tradition
IP1374	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	05-Jan-18	0.70000%	31-Mar-19	0.80000%	95 Day Notice	Direct
IP1384	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	08-May-18	0.56000%	08-Oct-18		5 Months	Direct
IP1386	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	23-May-18	0.78000%	21-Dec-18		7 Months	Direct
IP1393	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	2,000,000	02-Jul-18	0.70000%	22-Oct-18		3 Months	Direct
IP1396	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	28-Sep-18	0.77000%	14-Feb-19		4/5 Months	Direct
IP1394	Newcastle Building Society		U.K.		2,000,000	09-Jul-18	0.75000%	09-Jan-19		6 Months	Tradition
IP1389	Nottingham Building Society		U.K.		1,000,000	24-May-18	0.73000%	17-Dec-18		7 Months	Tradition
IP1395	Nottingham Building Society		U.K.		2,000,000	24-Aug-18	0.86000%	25-Feb-19		6 Months	R P Martin
IP1391	Principality Building Society	BBB+	U.K.		1,000,000	07-Jun-18	0.62000%	08-Oct-18		4 Months	Tradition
IP1392	Principality Building Society	BBB+	U.K.		1,000,000	11-Jun-18	0.80000%	11-Mar-19		9 Months	Tradition
IP1397	Svenska Handelsbanken AG	AA-	Sweden		2,000,000	02-Aug-18	0.40000%	02-Nov-18		3 Months	Direct
IP1382	Thurrock Borough Council		U.K.		3,000,000	08-May-18	0.70000%	31-Oct-18		6 Months	R P Martin
IP1383	Thurrock Borough Council		U.K.		2,000,000	16-May-17	0.77000%	31-Jan-19		8 Months	R P Martin
IP1387	West Bromwich Building Society		U.K.		1,000,000	23-May-18	0.79000%	14-Jan-19		8 Months	R P Martin
	<b>Total Invested</b>				<u><u>33,633,383</u></u>						
	<b>Other Loans</b>										
	Sevenoaks Leisure Limited				600,000	02-Mar-18	6.00000%	02-Mar-28		10 Years	Direct

This page is intentionally left blank

**ASSET MAINTENANCE - PLANNED PREVENTATIVE MAINTENANCE**

**Finance Advisory Committee - 15 November 2018**

Report of Chief Finance Officer  
Chief Officer Environmental and Operational Services

Status For Information

Also considered by Cabinet - 6 December 2018

Key Decision No

---

**Executive Summary:** This report details the results of recent asset maintenance surveys for Council owned buildings where the Council has maintenance liability responsibilities and recommends full consideration be given and the implications for the ten year budget plan.

---

**This report supports the Key Aim of:** Effective management of assets.

**Portfolio Holder** Cllr. John Scholey

**Contact Officers** Adrian Rowbotham, Ext. 7153  
Richard Wilson, Ext. 7262

---

**Recommendation to Finance Advisory Committee:** That it be recommended to Cabinet that the results of the Planned Preventative Maintenance Surveys be noted and be fully considered in a future budget report and the implications for the 10 year budget plan.

**Recommendation to Cabinet:** That the results of the Planned Preventative Maintenance Surveys be noted and be fully considered in a future budget report and the implications for the 10 year budget plan.

---

**Reason for recommendation:** The surveys provide indicative maintenance liability costs for the Council's portfolio of buildings with maintenance liability responsibilities, for the next 20 years, and will assist in the planning of future maintenance programmes, and budgets, providing valuable information to allow informed decisions to be made about the Council's future occupation, ownership and use of several buildings.

---

## Agenda Item 9

### Introduction and Background

- 1 From 2018/19 the Asset Maintenance budget for Council owned buildings was increased by £50,000 per annum, with the first years increase provided to undertake a planned maintenance register (PPM) for Council owned buildings, comprising the office, leisure assets, depots and other buildings where the Council holds a freehold interest and has maintenance liabilities.
- 2 Consultants were commissioned in 2018 to undertake this work for the following Council owned buildings and the reports have now all been received.
  - Council offices, Sevenoaks
  - Sevenoaks Leisure Centre
  - Edenbridge Leisure Centre
  - White Oak Leisure Centre, Swanley
  - Lullingstone Park Golf Club, Eynsford
  - Dunbrik Depot, Sundridge
  - Hollybush Depot, Sevenoaks
  - Shoreham Rangers Lodge
  - Shoreham Rangers Industrial Unit
  - The Lodge Café, Hollybush, Sevenoaks
  - Romany Way, Travellers Site, Hever Road, Edenbridge
  - Bradbourne MSCP, Sevenoaks
  - Glen Dunlop House, Sevenoaks
  - Sevenoaks Bus Station (Including public convenience)
- 3 The surveys schedule the maintenance obligations of the Council in respect of each building, and identified which areas were excluded from ongoing maintenance liabilities. Elements excluded were due to other parties having repair obligations based upon the lease interests.
- 4 The surveys identified 20 year planned preventative maintenance requirements for each building with the exception of the White Oak Leisure Centre, Swanley, where, due to its age and economic life, only a five year ongoing liability was identified.
- 5 The purpose of each PPM was to:-
  - Establish condition of the premises at the time of the survey
  - Assess and list current and future maintenance risks and liabilities, along with an estimated order of costs and timings/intervention points
  - Identify defects affecting health, safety and legal compliance
  - Identify signs of distress, early indication of failure and factors affecting the preservation of the building fabric and services.
- 6 Indicative costings include an allowance for design and contract administrative fees and statutory approvals but exclude VAT.

- 7 These estimated costs are included in a 20 year programme (with the exception of White Oak Leisure Centre) with year 1 identified as 2019.
- 8 The actual costs will be dictated by the timing and grouping of works when implemented and will be subject to change based on a number of factors, including the future life and use of the building.
- 9 No allowance has been made for inflation but normal contractors' preliminaries/ overheads and profits are included.
- 10 Condition ratings have been applied as follows:-
  - A. Good - In good condition, performing as intended and operating efficiently. No immediate significant maintenance or replacement necessary.
  - B. Satisfactory - Performing as intended but showing minor deterioration. Fair or serviceable condition. Maintenance or partial replacement needed.
  - C. Poor - showing major defects, in poor condition or reaching the end of its useful life. Comprehensive maintenance or replacement required. Not operating as intended.
  - D. Bad - Life expired and/or serious risk of imminent failure. In a hazardous condition. Maintenance needed to comply with health and safety and legal obligations.

### Summary of results

- 11 The total maintenance liability costs for 20 years, 2019-2038, amounts to £17,307,000. Excluding White Oak Leisure Centre, this is a yearly average liability of £780,000 per annum. The timing when the maintenance is actually undertaken will dictate the actual yearly spend over this period. However, delays to essential maintenance is likely to increase the costs in subsequent years.
- 12 The full 20 year programme for each building is summarised in Appendix A.
- 13 It should be noted that this report does not include asset maintenance liabilities for assets such as CCTV equipment; playground equipment; single surface car parks and sewage treatment plants which have separate annual budgets, and are not included in the budgets listed below.
- 14 Current asset maintenance budgets (2018/19)

Building	£
Argyle Road Offices	73,335
Countryside Buildings	8,319
Other corporate properties	32,413
Dunbrik and other Depots	39,107

## Agenda Item 9

Hever Road, Travellers site	37,501
Leisure Facilities	178,247
Additional Budget added in 2018/19	50,000
Total:	418,922

- 15 This current annual budget of £418,922 per annum represents 54% of the average year's liability of £780,000 identified in the survey reports.
- 16 This does not include day to day maintenance budgets for service costs and minor repairs which have separate budgets for the Argyle Road offices, car parks and some other buildings.
- 17 Conclusions
- 18 The report provides indicative maintenance liability costs for the Council's portfolio of buildings with maintenance liability responsibility for the next 20 years.
- 19 The actual spend per year will be dictated by the timing of the maintenance, however, delayed maintenance will add costs to future years expenditure.
- 20 It is recommended that where conditions are identified as C (Poor) or D (Bad) these maintenance liabilities are planned for early year maintenance or replacement.
- 21 The Council's asset maintenance budget represents 54% of the average yearly liability identified of £780,000.
- 22 The information contained in this report, as well as aiding in the planning of future maintenance programmes, and budgets, provides valuable information to allow informed decisions to be made about the Council's future occupation, ownership and use of several buildings.

### Key Implications

#### Financial

The surveys identify 20 years' maintenance liability costs (2019-2038) of £17,307,000. Excluding White Oak Leisure Centre, this equates to a yearly average liability of £780,000 per annum.

Current asset maintenance budget totals £418,922 per annum which equates to 54% of the annual maintenance liability costs identified from the surveys.

#### Legal Implications and Risk Assessment Statement.

The survey identifies the maintenance liabilities that fall on the Council. It excludes maintenance liability, due to lease arrangements, that fall on leaseholders.

The average costs per annum will be dictated by the timing and grouping of works when implemented and will be subject to change based on a number of factors, including the future life and use of the building. Delaying essential maintenance will add costs to future years' expenditure.

Equality Assessment

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

**Conclusions**

That it be recommended to Cabinet that the results of the Planned Preventative Maintenance Surveys be noted and be fully considered in a future budget report and the implications for the ten year budget plan.

**Appendices**

Appendix A - Summary of 20 year maintenance programme for each building.

**Background Papers**

PPM surveys  
S:\SDC\Central Services\Property\PPM Surveys

**Adrian Rowbotham - Chief Finance Officer**

**Richard Wilson - Chief Officer Environmental and Operational Services**

This page is intentionally left blank

Building	2019 1 £000	2020 2 £000	2021 3 £000	2022 4 £000	2023 5 £000	2024 6 £000	2025 7 £000	2026 8 £000	2027 9 £000	2028 10 £000	2029 11 £000	2030 12 £000	2031 13 £000	2032 14 £000	2033 15 £000	2034 16 £000	2035 17 £000	2036 18 £000	2037 19 £000	2038 20 £000	Total £000	Yearly Average £000
Argyle Road offices	477	472	361	423	269	366	208	442	176	181	87	116	214	72	67	93	168	175	81	169	4,617	231
Sevenoaks Leisure Centre	100	29	138	35	418	234	29	24	429	460	28	78	34	86	387	27	30	590	78	69	3,303	165
Edenbridge Leisure Centre	100	21	31	43	347	28	20	22	35	188	24	20	24	30	315	21	20	23	44	197	1,553	78
White Oak Leisure Centre	1,460	46	54	121	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,726	345
Lullingstone Park Golf Club	88	19	22	31	33	26	145	19	24	98	212	157	44	19	90	318	15	21	39	26	1,446	72
Dunbrik Depot	93	21	26	24	255	25	28	25	24	307	25	22	25	48	234	102	22	26	25	101	1,458	73
Hollybush Depot	18	0	4	0	11	5	7	2	0	28	0	9	0	8	3	2	0	6	0	8	111	6
Shoreham Rangers Lodge	17	1	20	1	24	5	0	33	0	25	0	36	0	1	47	1	2	5	0	22	240	12
Shoreham Rangers Industrial Unit	3	0	1	0	1	8	2	0	0	1	0	13	0	1	7	0	0	3	0	1	41	2
The Lodge, Hollybush	6	0	1	0	2	1	0	0	0	4	0	9	0	0	6	0	1	1	0	3	34	2
Romany Way, Travellers Site	23	161	16	22	312	123	191	129	202	97	25	22	29	36	38	29	25	20	48	93	1,641	82
Bradbourne MSCP	18	8	16	21	24	38	8	16	14	94	17	61	61	8	168	21	17	17	34	120	781	39
Glen Dunlop House, Sevenoaks	20	0	18	0	21	2	0	0	0	24	0	4	0	0	39	0	0	0	1	15	144	7
Sevenoaks Bus Station	21	5	9	0	41	0	0	5	0	34	0	1	0	0	60	0	2	0	0	34	212	11
<b>Totals:</b>	<b>2,444</b>	<b>783</b>	<b>717</b>	<b>721</b>	<b>1,803</b>	<b>861</b>	<b>638</b>	<b>717</b>	<b>904</b>	<b>1,541</b>	<b>418</b>	<b>548</b>	<b>431</b>	<b>309</b>	<b>1,461</b>	<b>614</b>	<b>302</b>	<b>887</b>	<b>350</b>	<b>858</b>	<b>17,307</b>	<b>780</b>

Excluding  
White Oak

This page is intentionally left blank

**BUDGET 2019/20: SERVICE DASHBOARDS AND SERVICE CHANGE IMPACT ASSESSMENTS (SCIAs)**

**Finance Advisory Committee - 15 November 2018**

Report of	Chief Finance Officer
Status	For comment
Also considered by	Economic and Community Development Advisory Committee - 25 September 2018 Planning Advisory Committee - 2 October 2018 Legal and Democratic Services Advisory Committee - 4 October 2018 Direct and Trading Advisory Committee - 9 October 2018 Housing and Health Advisory Committee - 27 November 2018 Policy and Performance Advisory Committee - 29 November 2018
Key Decision	No

**Executive Summary:** This report sets out updates to the 2019/20 budget within the existing framework of the 10-year budget and savings plan. The report presents growth and savings proposals that have been identified which need to be considered (if applicable to this Committee), and requests further suggestions from the Advisory Committees, before finalising the budget for 2019/20.

Informed by the latest information from Government and discussions with Cabinet, it is proposed that the Council continues to set a revenue budget which assumes no direct funding from Government through the Revenue Support Grant or New Homes Bonus. This will result in the Council continuing to be financially self-sufficient as set out in its Corporate Plan.

To achieve this aim and to ensure a balanced budget position over the next 10-year period, whilst also increasing the Council's ability to be sustainable beyond that time, a savings requirement of £100,000 per annum is included.

Other pressures may result in a requirement for further savings. Officers will continue to monitor these pressures and report the latest position to Cabinet in December.

## Agenda Item 10

**Portfolio Holder** Cllr. John Scholey

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

Alan Mitchell, Ext. 7483

---

### **Recommendation to each Advisory Committee:**

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

---

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

---

### **Introduction and Background**

- 1 The Council's financial strategy over the past fourteen 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 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available in future months and current assumptions may need to be updated.
- 4 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the short-term reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the

Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.

- 5 With the 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.
- 6 The intention of this report is to provide Members of each Advisory Committee an opportunity to give their views on potential growth and savings items that could be included in the updated 10-year budget that will be presented to Council on 26 February 2019.
- 7 The 'Financial Prospects and Budget Strategy 2019/20 and Beyond' report has been presented to Cabinet to start the budget setting process for 2019/20.

#### **Financial Self-Sufficiency**

- 8 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.
- 9 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 2017/8.
- 10 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.
- 11 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'.
- 12 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

## Agenda Item 10

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.

- 13 Cabinet are keen to remain financially self-sufficient and be ahead of the game. This allows this Council to move ahead in the knowledge that it has the financial resources to provide the services that the district's residents want into the future.

### Service Dashboards

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

### Savings Plan

- 17 **Appendix C** to this report sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12, which have allowed the Council to deliver a 10 year balanced budget.
- 18 The savings plan requires a total of over £7 million to be saved between 2011/12 and 2018/19 which is an average saving of nearly £900,000 per annum. In the fourteen years from 2005/06, over £10m of savings will then have been made.
- 19 The 10-year budget attached shows a net saving or additional income requirement of £100,000 per annum to deliver a long-term sustainable budget.
- 20 Other pressures may result in a requirement for further savings. Officers will continue to monitor these pressures and report the latest position to Cabinet in December.

### Proposed Growth and Savings Items

- 21 Growth items are items that are in addition to non-service issues and risks, such as grant settlements, impacts of economic change and other pressures

highlighted in the 'Financial Prospects and Budget Strategy 2019/20 and Beyond' report considered by Cabinet on 13 September 2018.

- 22 A number of growth and savings items will be proposed at the seven Advisory Committees with the aim of achieving the £100,000 mentioned above. The £100,000 does not necessarily have to all be achieved in 2019/20 but the impact is required to be £1m (i.e. £100,000 x 10 years) over the 10-year budget period.
- 23 The proposed growth and savings items relating to this Advisory Committee are listed in **Appendix D**.
- 24 Service Change Impact Assessments (SCIAs) contain further details for all proposed growth and savings items. SCIAs applicable to this Advisory Committee can be found in **Appendix E**.
- 25 During the budget process last year, each Advisory Committee was asked to provide further growth and savings suggestions to Cabinet. Some suggestions were approved as part of the 2018/19 budget but Cabinet indicated that some other suggestions would be worth keeping on a list for future investigation. The suggestions for future investigation relating to this Advisory Committee are included in **Appendix F** and Members may wish to consider these ideas when proposing growth and savings suggestions.

### **Financial Summary**

- 26 The assumptions currently included take into account the latest information available but a number of assumptions may change before the final budget meeting in February 2018.
- 27 The 10-year budget attached at **Appendix G** includes the changes that were included in the 'Financial Prospects and Budget Strategy 2019/20 and Beyond' report.

### **Role of the Advisory Committees**

- 28 Training sessions on the budget process have been provided to Members in previous years to ensure that they have an understanding of the process and relevant issues to allow them to play an active part in the budget setting process. If Members require refresher training, please contact Adrian Rowbotham, Chief Finance Officer.
- 29 Views of the Advisory Committees on the growth and savings items proposed together with any additional suggestions will be considered by Cabinet at its meeting on 6 December 2018.

### **Process and Timetable**

- 30 This report is the second stage of the budget process as shown in the Budget Timetable (**Appendix H**).

## Agenda Item 10

- 31 It is possible that Advisory Committees may have to re-address service budgets in January if significant changes have taken place leading to a large and unmanageable deficit.

### **Key Implications**

#### Financial

All financial implications are covered elsewhere in this report.

#### Legal Implications and Risk Assessment Statement.

There are no legal implications.

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

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

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

#### Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

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

### **Conclusions**

The Strategic Financial and Business Planning process has ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult financial challenges that it has faced. The 10-year budget has further improved this process and helped to ensure that the Council is well placed in dealing with more immediate and longer-term financial challenges.

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

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

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

Members' consideration and scrutiny of the relevant services is an essential and key element in the business and financial planning process. If the net total of growth and savings proposals identified by the Advisory Committees and approved by Cabinet does not reach the £100,000 savings target, additional savings will be required that may result in service changes, to ensure a balanced budget position.

### **Appendices**

Appendix A - Service Dashboards relating to this Advisory Committee.

Appendix B - 2017/18 Budget by Service relating to this Advisory Committee.

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

Appendix D - New growth and savings items proposed relating to this Advisory Committee (if applicable).

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

Appendix F - Update on growth and savings suggestions made last year relating to this Advisory Committee (if applicable)

Appendix G - 10-year budget.

Appendix H - Budget timetable.

### **Background Papers**

None

**Adrian Rowbotham**  
Chief Finance Officer

This page is intentionally left blank

## Service Dashboard Portfolio for Finance

### The services we provide

Audit & corporate governance, budget & financial strategy, local tax, procurement policy, facilities management, strategic risk, housing benefit, fraud, operational assets

#### Service contribution

Statutory service



Income generating



Working in partnership



#### Corporate priorities

Self-sufficiency ✓

Value for Money ✓

Safe district ✓

Collect rubbish effectively ✗

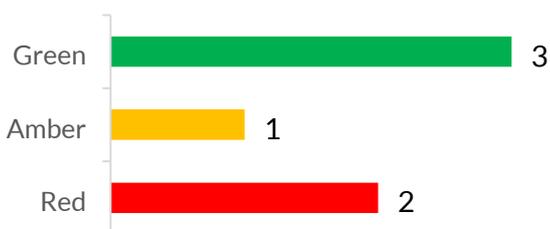
Green Belt ✗

Local economy ✓

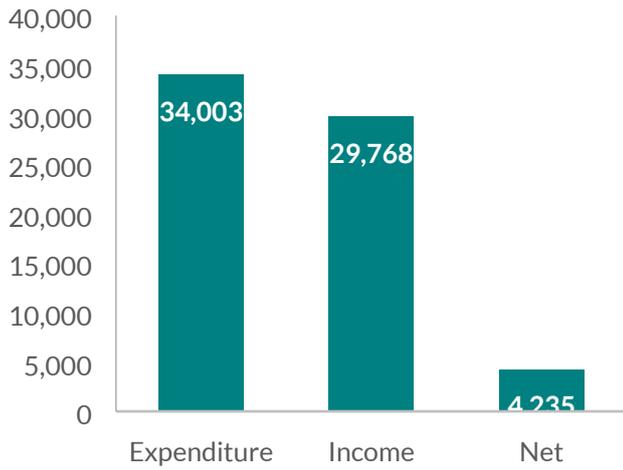
#### Achievements & Opportunities

- Continuing to achieve financial self-sufficiency and deliver a balanced 10 year budget
- Property Investment Strategy income target to be exceeded, supported by completion of Premier Inn hotel.
- High levels of council tax and business rates collection
- Completed restructure of Revenues & Benefits service delivering £50,000 in savings
- Internal Audit on target in 2018/19

#### Performance



**Revenue Budget (£000)**



**Challenges & Risks**

- Continuing to find innovative ways to ensure SDC has a prosperous financial future
- Improving the value added by the internal audit service
- Further improving the service provided to customers of the revenues and benefits service
- Cost of asset maintenance, including leisure centres

Finance Advisory Committee: 2018/19 Budget by Service

<b>Revenue</b>		<b>2018/19 Expenditure</b>	<b>2018/19 Income</b>	<b>2018/19 Net</b>
<b>Chief Officer</b>	<b>Description</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Env & Op Svs	Administrative Expenses - Property	4	0	4
Env & Op Svs	Asset Maintenance Argyle Road	108	0	108
Env & Op Svs	Asset Maintenance Hever Road	38	0	38
Env & Op Svs	Asset Maintenance Leisure	178	0	178
Env & Op Svs	Asset Maintenance Other Corporate Properties	48	0	48
Env & Op Svs	Asset Maintenance Sewage Treatment Plants	8	0	8
Env & Op Svs	Asset Maintenance Support & Salaries	83	0	83
Env & Op Svs	Bus Station	23	(6)	17
Env & Op Svs	Estates Management - Buildings	107	(125)	(18)
Env & Op Svs	Housing Premises	15	(14)	1
Env & Op Svs	Support - Central Offices	506	(56)	450
Env & Op Svs	Support - Central Offices - Facilities	299	(9)	290
Env & Op Svs	Support - General Admin - Post, Scanning, MFD's	234	0	234
Env & Op Svs	Support - Procurement	6	0	6
Env & Op Svs	Support - Property Function	48	0	48
Financial Services	Administrative Expenses - Chief Executive	30	0	30
Financial Services	Administrative Expenses - Finance	33	0	33
Financial Services	Benefits Admin	721	(547)	174
Financial Services	Benefits Grants	28,091	(28,116)	(25)
Financial Services	Dartford Partnership Hub (SDC costs)	152	(152)	0
Financial Services	Housing Advances	1	0	1
Financial Services	Local Tax	605	(626)	(21)
Financial Services	Misc. Finance	1,734	0	1,734
Financial Services	Support - Audit Function	209	(32)	177
Financial Services	Support - Counter Fraud	137	(85)	52
Financial Services	Support - Exchequer and Procurement	103	0	103
Financial Services	Support - Finance Function	218	0	218
Financial Services	Support - General Admin	150	0	150
Financial Services	Treasury Management	114	0	114
		<b>34,003</b>	<b>(29,768)</b>	<b>4,235</b>

<b>Capital</b>		<b>2018/19 Expenditure</b>
<b>Chief Officer</b>	<b>Description</b>	<b>£'000</b>
		0
		0

This page is intentionally left blank

SCIA Year	No.	Description	2011/12 - 2018/19 £000	2019/20 £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 2019/20 onwards				
		<b>Finance Advisory Committee</b>				
2011/12	62,63	Staff terms and conditions - savings agreed by Council 18/10/11		(186)	(187)	
2018/19	11	Members Allowances: increase following JIRP review		15		
		<b>Housing and Health Advisory Committee</b>				
		No savings or growth agreed from 2019/20 onwards				
		<b>Legal and Democratic Services Advisory Committee</b>				
		No savings or growth agreed from 2019/20 onwards				
		<b>Planning Advisory Committee</b>				
		No savings or growth agreed from 2019/20 onwards				
		<b>Policy and Performance Advisory Committee</b>				
2017/18	10	Apprenticeship Levy (reversal of temporary growth item)			(45)	
2018/19	3	Swanley Local Office contract		(10)	(15)	
2018/19	13	IT Developers: funding for two years (reversal of temporary growth item)			(51)	
		Minor movements between years			(1)	
		<b>Total Savings</b>	<b>(7,051)</b>	<b>(196)</b>	<b>(188)</b>	<b>(7,435)</b>
		<b>Total Growth</b>	<b>1,930</b>	<b>15</b>	<b>(96)</b>	<b>1,849</b>
		<b>Net Savings</b>	<b>(5,121)</b>	<b>(181)</b>	<b>(284)</b>	<b>(5,586)</b>

This page is intentionally left blank

**New Growth and Savings Proposals: Finance Advisory Committee**

SCIA Year	No.	Description	Year	Ongoing	2019/20 Impact £000	Budget Impact £000
<b>Growth</b>						
2019/20	11	Facilities Management - loss of income	2019/20	Yes	22	220
Sub Total					22	220
<b>Savings</b>						
2019/20	12	Sevenoaks Bus Station - reduced expenditure	2019/20	Yes	(5)	(50)
2019/20	13	Facilities Management - reduced expenditure	2019/20	Yes	(10)	(100)
2019/20	14	Property Management - reduced Business Rates	2019/20	Yes	(14)	(140)
Sub Total					(29)	(290)
Net Savings Total					(7)	(70)

This page is intentionally left blank

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 11 (19/20)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Support - Central offices
<b>Activity</b>	Facilities Management	<b>No. of Staff:</b>	1.4 FTE

Activity Budget Change	Year: 2019/20 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Loss of Income	22	Ongoing

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

Loss of rental income from Moat Housing and KCC Social Services no longer renting office space at Argyle Road offices. Space previously available now occupied by SDC staff.

**Key Stakeholders Affected**

N/A

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

N/A

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

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2018/19 Budget	£'000	Performance Indicators		
Operational Cost	506	Code & Description	Actual	Target
Income	(56)	N/A		
Net Cost	450			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 12 (19/20)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Sevenoaks Bus Station
<b>Activity</b>	Property Management	<b>No. of Staff:</b>	0

Activity Budget Change	Year: 2019/20 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduced Annual Expenditure	(5)	Ongoing

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

Minor savings on maintenance and utility costs.

**Key Stakeholders Affected**

N/A

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

No effect. Any essential maintenance will be undertaken as required. Underspend in 2017/18 was £7,000.

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

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2018/19 Budget	£'000	Performance Indicators		
Operational Cost	23	Code & Description	Actual	Target
Income	(6)	N/A		
Net Cost	17			

**Equality Impacts**

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

**SERVICE CHANGE IMPACT ASSESSMENT**

SCIA 13 (19/20)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Support - General Admin
<b>Activity</b>	Facilities Management	<b>No. of Staff:</b>	11.25 FTE

Activity Budget Change	Year: 2019/20 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in Misc. expenditure	(10)	Ongoing

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

Savings on salaries following a minor restructure.  
Savings on postal and scanning costs.

**Key Stakeholders Affected**

N/A

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

N/A

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

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

2018/19 Budget	£'000	Performance Indicators		
Operational Cost	299	Code & Description	Actual	Target
Income	(9)	N/A		
Net Cost	290			

**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 (19/20)

<b>Chief Officer:</b>	Richard Wilson	<b>Service:</b>	Estate Management - Building
<b>Activity</b>	Property Management	<b>No. of Staff:</b>	1.35 FTE

Activity Budget Change	Year: 2019/20 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Cease paying Business Rates	(14)	Ongoing

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

This is assuming the old meeting point building, 27-37 High Street, Swanley, will be re-developed as part of the proposed Bevan Place redevelopment scheme.

**Key Stakeholders Affected**

N/A

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

Once the redevelopment occurs NNDR will not be payable on this building. It is worth noting that the actual charge for 2018/19 is £48,000, but the approved budget is £14,000.

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

Low

**SERVICE CHANGE IMPACT ASSESSMENT**

<b>2018/19 Budget</b>	<b>£'000</b>	<b>Performance Indicators</b>		
<b>Operational Cost</b>	107	<b>Code &amp; Description</b>	<b>Actual</b>	<b>Target</b>
<b>Income</b>	(125)	N/A		
<b>Net Cost</b>	(18)			

**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.

**Update on Growth and Savings Suggestions made last year relating to this Advisory Committees**

Cabinet 07/12/17:

Cabinet discussed the further growth and savings items suggested by Advisory Committees and indicated that the following items be kept on the list for future investigation.

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

This page is intentionally left blank

	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	Plan 2028/29
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>											
Net Service Expenditure c/f	14,470	14,687	14,966	15,321	15,705	16,083	16,468	16,859	17,254	17,655	18,166
Inflation	732	560	653	470	478	485	491	496	501	510	517
Superannuation Fund deficit and staff recruitment & retention	0	0	100	0	0	0	0	0	0	0	0
Net savings (approved in previous years)	(427)	(186)	(232)	14	0	0	0	(1)	0	1	0
<b>New growth</b>	<b>292</b>	<b>15</b>	<b>(51)</b>	<b>0</b>							
<b>New savings/Income</b>	<b>(380)</b>	<b>(110)</b>	<b>(115)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>0</b>	<b>0</b>
<b>Net Service Expenditure b/f</b>	<b>14,687</b>	<b>14,966</b>	<b>15,321</b>	<b>15,705</b>	<b>16,083</b>	<b>16,468</b>	<b>16,859</b>	<b>17,254</b>	<b>17,655</b>	<b>18,166</b>	<b>18,683</b>
<b>Financing Sources</b>											
Govt 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	(10,420)	(10,816)	(11,157)	(11,508)	(11,869)	(12,239)	(12,619)	(13,010)	(13,411)	(13,798)	(14,196)
Business Rates Retention	(2,700)	(2,096)	(2,138)	(2,181)	(2,225)	(2,270)	(2,315)	(2,361)	(2,408)	(2,456)	(2,505)
Collection Fund Surplus	(255)	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(130)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Property Investment Strategy Income	(735)	(1,185)	(1,185)	(1,185)	(1,185)	(1,285)	(1,329)	(1,329)	(1,529)	(1,529)	(1,529)
Contributions to/(from) Reserves	(14)	(353)	(353)	(353)	(179)	(179)	(635)	148	148	148	148
<b>Total Financing</b>	<b>(14,254)</b>	<b>(14,700)</b>	<b>(15,083)</b>	<b>(15,477)</b>	<b>(15,708)</b>	<b>(16,223)</b>	<b>(17,148)</b>	<b>(16,802)</b>	<b>(17,450)</b>	<b>(17,885)</b>	<b>(18,332)</b>
<b>Budget Gap (surplus)/deficit</b>	<b>433</b>	<b>266</b>	<b>238</b>	<b>228</b>	<b>375</b>	<b>245</b>	<b>(289)</b>	<b>452</b>	<b>205</b>	<b>281</b>	<b>351</b>
<b>Contribution to/(from) Stabilisation Reserve</b>	<b>(433)</b>	<b>(266)</b>	<b>(238)</b>	<b>(228)</b>	<b>(375)</b>	<b>(245)</b>	<b>289</b>	<b>(452)</b>	<b>(205)</b>	<b>(281)</b>	<b>(351)</b>
<b>Unfunded Budget Gap (surplus)/deficit</b>	<b>0</b>										

<b>Assumptions</b>	
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 Investment Strategy:	£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 except for off-street car parks which are 3.5% from 19/20 -23/24.

This page is intentionally left blank

2019/20 Budget Setting Timetable

	Date	Committee
<b>Stage 1</b>		
Financial Prospects and Budget Strategy 2019/20 and Beyond	4 September	Finance AC
	13 September	Cabinet
↓		
<b>Stage 2</b>		
Review of Service Dashboards and Service Change Impact Assessments (SCIAs)	25 September	Economic & Comm. Dev. AC
	2 October	Planning AC
	4 October	Legal & Dem. Svs AC
	9 October	Direct & Trading AC
	30 October	Finance AC
	27 November	Housing & Health AC
	29 November	Policy & Performance AC
↓		
<b>Stage 3</b>		
Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)	6 December	Cabinet
↓		
<b>Stage 4</b>		
Budget Update (incl. Government Settlement information)	10 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)	14 February	Cabinet
↓		
<b>Stage 7</b>		
Budget Setting Meeting (incl. Council Tax setting)	26 February	Council

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

This page is intentionally left blank

**FINANCIAL RESULTS 2018/19 - TO THE END OF SEPTEMBER 2018**

**Finance Advisory Committee - 15 November 2018**

Report of                      Chief Finance Officer

Status:                         For consideration

Also considered by:        Cabinet - 6 December 2018

Key Decision:                No

---

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

Portfolio Holder        Cllr. John Scholey

Contact Officers        Alan Mitchell Ext. 7483

                                  Adrian Rowbotham Ext. 7153

---

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

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

---

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

---

**Overall Financial Position**

1     The year-end position is currently forecast to be an unfavourable variance of £99,000; this represents 0.67% of our net service expenditure budget totalling £14,687,000.

**Year to Date - Areas of Note**

2     Pay costs - the expenditure to date on staff costs is £351,000 below budget. There are currently vacancies within the majority of service areas; the largest salary underspends are being reported within Planning Services and Environmental & Operational Services. The impact of the larger salary variances are included within the Chief Officer commentaries.

3     Income - the Council receives a number of different income streams to help balance the budget; section 8 of the monitoring pack provides details in relation to the main streams. At the end of September, income is ahead of profile in On-street Parking and Building Control. The level of on-street

## Agenda Item 11

parking income has seen a slight increase, as large scale works are carried out in the car parks. Land Charges, Car Parks and Planning Fee income is currently lower than anticipated; Chief Officers are aware of risks and have provided further details in their commentaries.

- 4 Investment Returns - the return to date on the investments held by the Council has resulted in a favourable position being reported, with interest received to date totalling £112,000 compared to a budget of £72,000. For noting, we are starting to see some amendments to available rates following the Bank of England base rate increase to 0.75% in August 2018.
- 5 New Homes Bonus - the Council is due to receive £1,320,000 New Homes Bonus during 2018/19; as per the 10 year financial plan, this income will not be applied to fund the provision of services, instead it will be transferred to the Budget Stabilisation Reserve to be utilised as future needs arise.
- 6 Retained Business Rates - the Council is part of the 2018/19 Kent 100% Business Rates Retention pilot. An income expectation of £2,700,000 forms part of the 18/19 budget; any receipts over and above this amount will be transferred to the Budget Stabilisation Reserve. Regular monitoring takes place, with any outturn amendments feeding into the outturn forecasts.

### Year End Forecast

- 7 The year-end forecast position is an unfavourable variance of £99,000. Following are details of the larger variances, both favourable and unfavourable.

#### Net Service Expenditure - Favourable variances

- 8 The Council is providing Parking Enforcement to Tandridge District Council, as part of a contractual agreement; additional income totalling £30,000 has been forecast in relation to this arrangement.
- 9 Various underspends across Environmental & Operational Services general admin support functions has resulted in a favourable variance of £32,000 being forecast; this is as a result of salary savings and savings on postage, phones, equipment and other minor expenditure areas.
- 10 The Council no longer belongs to the West Kent Equalities arrangement, with services being provided in-house; this has resulted in a favourable variance of £19,000.
- 11 From the savings the Council is able to derive from vacant posts, it is anticipated that the corporate savings target will be exceeded by the year end; this has resulted in a favourable variance of £20,000.

- 12 Salary savings within the Planning Service as a result of vacancies has resulted in favourable variances of £50,000 being forecast in Planning - Enforcement and £40,000 in Planning Policy.
- 13 A favourable variance of £24,000 has been forecast in the Audit Function owing to current vacancies within the service, partly offset by the secondment of an interim Audit Manager. As agreed by the Audit Committee members, the future direction of the Audit Service is currently under review.

**Net Service Expenditure - Unfavourable variances**

- 14 Business Rates have been paid for properties in Swanley that are being held for future development and this has given rise to an unfavourable variance of £35,000.
- 15 Anticipated lower levels of income from sale of glass and paper has contributed to an adverse variance forecast within the Refuse Collection service, totalling £72,000.
- 16 Savings/income from moving to internal enforcement agents for local tax recovery has not fully been realised, as arrangements have not been in place for the full year; this has contributed to an adverse variance of £57,000 being forecast within the Local Tax service.
- 17 Contractor and consultant costs involved in the feasibility and legal work in the lead up to capital schemes has resulted in Economic Development Property forecasting of unfavourable variance of £45,000.
- 18 Unrealised income expectations with CCTV has resulted in an unfavourable variance of £22,000.
- 19 Planning - Appeals are forecasting an unfavourable variance of £29,000 following awards of costs.
- 20 Underachievement of planning income, partly off-set by salary savings from vacancies within the Planning - Development Management team, has resulted in an unfavourable variance of £48,000.
- 21 Environmental Protection has forecast a £10,000 underachievement of permitting income, owing to the number of Pollution Prevention and Control permits actually issued.
- 22 Rates paid for the temporary Morewood Close parking site, whilst Buckhurst 2 is being redeveloped, has contributed to an unfavourable variance of £15,000 being forecast in Car Parks.
- 23 The costs incurred in relation to Public Rights of Way and CON 29 have contributed to an unfavourable forecast of £40,000 in Land Charges.

## Agenda Item 11

- 24 A variance of £30,000 has been forecast by the Conservation service as a result of costs associated with Conservation Area Appraisal being undertaken by an expert consultant.

### Other Variances

- 25 Retained Business Rates - following the quarter 1 business rates pilot monitoring position, the Council are anticipating additional business rates receipts totalling £250,000. A corresponding transfer to the Budget Stabilisation Reserve has been forecast, to enable funds to be utilised in future years.
- 26 Interest Receipts - current levels of investment returns and possible rates available going forward has resulted in £70,000 additional income being forecast.
- 27 Investment Property Income - as agreed as part of the 2018/19 budget setting process any surplus income received from Investment Properties will be transferred to a reserve to assist with any future maintenance or voids costs. It is anticipated that income will exceed budgeted levels this year and some of this will be transferred to a reserve, however some of the income will be utilised to off-set consultancy costs incurred within Economic Development in relation to Property Investment projects. As a result a £20,000 favourable variance has been forecast to reflect this.

### Future Issues and Risk areas

- 28 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:
- Spend on property feasibility studies may be capitalised if the project is feasible and taken forward. This is monitored carefully during the year.
  - Land Charges income remains challenging versus the budgeted amount, currently under review.
  - 
  - The full service of Universal Credit, seeing the transfer of new claims to Universal Credit, will commence from November 2018. Migration for existing claims will be phased after this date; however, pensioner cases will be retained. Regular liaison meetings are taking place with DWP partnership managers.
  - There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts, and we have received an indication of significant appeal costs in Swanley. Final costs therefore remain uncertain.
  - Planning application fee income is uncertain and is currently below budgeted profile. This is being closely monitored.

- Staff turnover, in Planning, remains high and recruiting to vacant posts continues to be difficult.
- Any surplus on the Investment Property budget will be transferred to a reserve as agreed at budget setting to assist with any future maintenance and voids.

29 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 A - September Budget Monitoring  
(Commentaries)

Appendix B - September Budget Monitoring  
(Tables)

## **Background Papers:**

None

**Adrian Rowbotham**

**Chief Finance Officer**

This page is intentionally left blank

## Budget Monitoring for September 2018

### 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 Income Graphs
- 9 Reserves

## BUDGET MONITORING - Strategic Commentary - As at 30<sup>th</sup> September 2018

### Overall Financial Position

1. The year-end position is currently forecast to be an unfavourable variance of £99,000; this represents just over 0.67% of our net service expenditure budget totalling £14,687,000.

### Year to Date - Areas of Note

2. Pay costs – the expenditure to date on staff costs is £351,000 below budget. There are currently vacancies within the majority of service areas; the largest salary underspends are being reported within Planning Services and Environmental & Operational Services. The impact of the larger salary variances are included within the Chief Officer commentaries.
3. Income – the Council receives a number of different income streams to help balance the budget; section 8 of the monitoring pack provides details in relation to the main streams. At the end of September, income is ahead of profile in On-street Parking and Building Control. The level of on-street parking income has seen a slight increase, as large scale works are carried out in the car parks. Land Charges, Car Parks and Planning Fee income is currently lower than anticipated; Chief Officers are aware of risks and have provided further details in their commentaries.
4. Investment Returns – the return to date on the investments held by the Council has resulted in a favourable position being reported, with interest received to date totalling £112,000 compared to a budget of £72,000. For noting, we are starting to see some amendments to available rates following the Bank of England base rate increase to 0.75% in August 2018.
5. New Homes Bonus – the Council is due to receive £1,320,000 New Homes Bonus during 2018/19; as per the 10 year financial plan, this income will not be applied to fund the provision of services, instead it will be transferred to the Budget Stabilisation Reserve to be utilised as future needs arise.
6. Retained Business Rates – the Council is part of the 18/19 Kent 100% Business Rates Retention pilot. An income expectation of £2,700,000 forms part of the 18/19 budget; any receipts over and above this amount will be transferred to the Budget Stabilisation Reserve. Regular monitoring takes place, with any outturn amendments feeding into the outturn forecasts.

### **Year End Forecast**

7. The year-end forecast position is an unfavourable variance of £99,000. Following are details of the larger variances, both favourable and unfavourable.

#### **Net Service Expenditure - Favourable variances**

8. The Council is providing Parking Enforcement to Tandridge District Council, as part of a contractual agreement; additional income totalling £30,000 has been forecast in relation to this arrangement.
9. Various underspends across Environmental & Operational Services general admin support functions has resulted in a favourable variance of £32,000 being forecast; this is as a result of salary savings and savings on postage, phones, equipment and other minor expenditure areas.
10. The Council no longer belongs to the West Kent Equalities arrangement, with services being provided in-house; this has resulted in a favourable variance of £19,000.
11. From the savings the Council is able to derive from vacant posts, it is anticipated that the corporate savings target will be exceeded by the year end; this has resulted in a favourable variance of £20,000.
12. Salary savings within the Planning Service as a result of vacancies has resulted in favourable variances of £50,000 being forecast in Planning – Enforcement and £40,000 in Planning Policy.
13. A favourable variance of £24,000 has been forecast in the Audit Function owing to current vacancies within the service, partly offset by the secondment of an interim Audit Manager. As agreed by the Audit Committee members, the future direction of the Audit Service is currently under review.

#### **Net Service Expenditure - Unfavourable variances**

14. Business Rates have been paid for properties in Swanley that are being held for future development and this has given rise to an unfavourable variance of £35,000.
15. Anticipated lower levels of income from sale of glass and paper has contributed to an adverse variance forecast within the Refuse Collection service, totalling £72,000.

16. Savings/income from moving to internal enforcement agents for local tax recovery has not fully been realised, as arrangements have not been in place for the full year; this has contributed to an adverse variance of £57,000 being forecast within the Local Tax service.
17. Contractor and consultant costs involved in the feasibility and legal work in the lead up to capital schemes has resulted in Economic Development Property forecasting of unfavourable variance of £45,000.
18. Unrealised income expectations with CCTV has resulted in an unfavourable variance of £22,000.
19. Planning – Appeals are forecasting an unfavourable variance of £29,000 following awards of costs.
20. Underachievement of planning income, partly off-set by salary savings from vacancies within the Planning – Development Management team, has resulted in an unfavourable variance of £48,000.
21. Environmental Protection has forecast a £10,000 underachievement of permitting income, owing to the number of Pollution Prevention and Control permits actually issued.
22. Rates paid for the temporary Morewood Close parking site, whilst Buckhurst 2 is being redeveloped, has contributed to an unfavourable variance of £15,000 being forecast in Car Parks.
23. The costs incurred in relation to Public Rights of Way and CON 29 have contributed to an unfavourable forecast of £40,000 in Land Charges.
24. A variance of £30,000 has been forecast by the Conservation service as a result of costs associated with Conservation Area Appraisal being undertaken by an expert consultant.

#### **Other Variances**

25. Retained Business Rates – following the qtr 1 business rates pilot monitoring position, the Council are anticipating additional business rates receipts totalling £250,000. A corresponding transfer to the Budget Stabilisation Reserve has been forecast, to enable funds to be utilised in future years.

26. Interest Receipts – current levels of investment returns and possible rates available going forward has resulted in £70,000 additional income being forecast.
27. Investment Property Income – as agreed as part of the 18/19 budget setting process any surplus income received from Investment Properties will be transferred to a reserve to assist with any future maintenance or voids costs. It is anticipated that income will exceed budgeted levels this year and some of this will be transferred to a reserve, however some of the income will be utilised to off-set consultancy costs incurred within Economic Development in relation to Property Investment projects. As a result a £20,000 favourable variance has been forecast to reflect this.

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

28. 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:

- Spend on property feasibility studies may be capitalised if the project is feasible and taken forward. This is monitored carefully during the year. A charge for £20,000 grant to Second Floor Studios has been allocated to the same budget and this will result in an overspend on this code. We are currently predicting an overspend of £45k at the year end with some feasibility work.
- Land Charges income remains challenging versus the budgeted amount, currently under review.
- Expenditure incurred in replacing a utility block at Hever Road Travellers Site following a fire; to be recovered from insurance (as confirmed by Loss Adjuster).
- The full service of Universal Credit, seeing the transfer of new claims to Universal Credit, will commence from November 2018. Migration for existing claims will be phased after this date; however, pensioner cases will be retained. Regular liaison meetings are taking place between DBC/SDC managers and DWP partnership managers.
- There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts, and we have received an indication of significant appeal costs in Swanley. Final costs therefore remain uncertain.
- Planning application fee income is uncertain and is currently below budgeted profile. This is being closely monitored.
- Staff turnover, in Planning, remains high and recruiting to vacant posts continues to be difficult.
- Any surplus on the Investment Property budget will be transferred to a reserve as agreed at budget setting to assist with any future maintenance and voids.

29. 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  
Alan Mitchell          Head of Finance            ext 7483

Communities and Business – September 2018 Commentary

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Community Safety	18	6	Spend ahead of profile relating to beginning of year expenditure and costs including Lizzie Yarnold victory bus tour and other projects. Additional expenditure has been necessary to bring the Convent of Mercy in Swanley under control including legal costs, physical costs of closing the building and other expenses. The budget will be carefully monitored during the remainder of the year but there may be an overspend, currently predicted at £6k.
Economic Development Property	22	45	This is mainly due to contractor/consultants costs involved in feasibility and legal work in the lead up to capital schemes. These costs are allocated to projects and where possible will be capitalised. However, there is likely to be an overspend. This includes feasibility for Bevan Place, High Street Swanley, small sites in Swanley, the leisure centre and small sites in Edenbridge.
Homeless	35		Additional expenditure for nightly paid emergency accommodation for homeless customers, offset to an extent by Housing Benefit reclaim. This current overspend against profile is likely to grow due to the national increase in the use of Bed and Breakfast. This overspend will be 100% offset at the year end by income from the Flexible Homelessness Fund.
Homelessness Prevention	10		Additional expenditure to reduce homelessness. As with the Homeless budget, this may grow due to the national increase in homelessness but the overspend will be offset at the year end by the Government's Flexible Homelessness Fund.
Housing Energy Retraining Options (HERO)	25		All HERO Officers currently being charged to this code but some of the income is in the Flexible Homelessness Support Fund and will be drawn down. Some partner contributions to be invoiced before the year end.
Leisure Contract	(12)		Invoice awaited for leisure centre feasibility study.

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Leisure Development	(10)		Invoice from Sencio received after the end of the month.
One You – Your Home Project	(21)		External funding for housing & health initiatives received in advance. Will be zero at year end.
PCT Initiatives	(16)		This is external funding for health initiatives received in advance. Will be zero at year end.
West Kent Enterprise Advisor Network	(13)		External funding for the enterprise network received in advance. Will be zero at year end.
West Kent Kick Start	(10)		This is external funding received in advance for business support. Will be zero at year end.

*For noting, figures in brackets represent a favourable variance*

#### **Future Issues/Risk Areas**

Spend on property feasibility studies may be capitalised if the project is feasible and taken forward. This is monitored carefully during the year. A charge for £20,000 grant to Second Floor Studios has been allocated to the same budget and this will result in an overspend on this code. We are currently predicting an overspend of £45k at the year end with some feasibility work.

**Lesley Bowles**  
**Chief Officer - Communities and Business**  
**October 2018**

**Corporate Services – September 2018 Commentary**

<b>Service</b>	<b>Variance to Date £000</b>	<b>Forecast Annual Variance £000</b>	<b>Explanation of variance and action planned</b>
Land Charges	26	40	Current variance due to reallocation of income to external sources required as part of the Land Search process. Proposed to be addressed through current budget process.
Administrative Expenses – Human Resources	38		Current overspend due to external legal costs.
Support – Human Resources	41		Current overspend partially due to external legal costs. This figure also includes training costs which when taken with budgets currently allocated to service areas is in line with allocated budgets.

*For noting, figures in brackets represent a favourable variance*

**Future Issues/Risk Areas**

Land Charges – Income remains challenging versus the budgeted amount, currently under review.
---

**Jim Carrington-West**  
**Chief Officer – Corporate Services**  
**October 2018**

**Environmental and Operational Services – September 2018 Commentary**

<b>Service</b>	<b>Variance to Date £000</b>	<b>Forecast Annual Variance £000</b>	<b>Explanation of variance and action planned</b>
Asset Maintenance Argyle Road	(32)		Expenditure currently below profile. It is anticipated that full budget will be needed in this year.
Asset Maintenance Other Corporate Properties	(13)		Expenditure below profile. Budget includes £15,000 for asset maintenance surveys to be carried out in October.
Asset Maintenance Direct Services	(14)		Expenditure currently below profile. It is anticipated that full budget will be needed this year.
Asset Maintenance Hever Road	26		Replacement of utility block following fire to be recovered through insurance.
Asset Maintenance Leisure	15		Works carried out to all leisure facilities but particularly White Oak and Sevenoaks Leisure Centre.
Car Parks	84	15	Although income on profile, rent for new Bligh's car park paid up to December and rates paid for temporary site of Morewood Close for temporary parking whilst Buckhurst 2 being developed.
Car Parking – On Street	(22)		Income £84,000 above profile. Expenditure to support parking schemes.

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
CCTV	(5)	22	Budget contains income lines which will not be realised.
Env. Protection	4	10	LAPPC income will not be realised due to number of permits to be issued.
Estates Management Buildings	23	35	NNDR paid for meeting point building in Swanley. Rates will continue to be due on this empty building until it is demolished. Rental income received ahead of profile.
Markets	(28)	(5)	Rent not paid yet for Swanley Market site. Increased income, following re tendering for Sevenoaks' markets.
Parking Enforcement - Tandridge DC	(11)	(30)	Income received from contract for enforcement activity on Tandridge DC's car parks.
Private Sector Housing	(10)		Savings on salaries due to vacancy.
Refuse Collection	57	72	Income less than profile on recycled material, particularly glass. Transition grant from KCC for Sainsbury's recycling banks credits now ended.
Support - Central Offices	(10)	(10)	Expenditure below profile on Maintenance to Argyle Road building and utility costs. Rental income received ahead of profile.

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Support - Central Offices - Facilities	(10)	(12)	Savings on salaries and increased income from sale of garden sacks.
Support - General Admin	(27)	(32)	Savings on salaries due to vacancy and on postage, and scanning equipment.
Support - Direct Services	(14)	(10)	Savings on internal printing, mobile phones and training (to be delivered later in the year).
Direct Services - Trading Accounts	(32)		Income £67,000 above profile. Expenditure £35,000 above profile. Surplus £187,000 against a profiled surplus of £155,000.

*For noting, figures in brackets represent a favourable variance*

#### Future Issues/Risk Areas

Expenditure incurred in replacing a utility block at Hever Road Travellers Site following a fire. To be recovered from Insurance (confirmed by Loss Adjuster).

**Richard Wilson**  
**Chief Officer - Environmental & Operational Services**  
**October 2018**

## Finance – September 2018 Commentary

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Corporate – Other	(16)	(20)	From the savings the Council is able to derive from vacant posts, it is anticipated that the corporate savings target will be exceeded by the year end.
Dartford Partnership Hub (SDC costs)	(83)		DWP grants received during the year; unspent grants will be carried forward to utilise in future years. Salary underspends due to a number of vacant posts within the Partnership.
Equalities Legislation	(19)	(19)	The Council no longer belongs to the West Kent Equalities arrangement, as services are provided in-house.
Local Tax	(12)	57	New enforcement arrangements have not been in place for the full year, impacting on income expectations.
Support - Audit Function	7	(24)	As agreed by Audit Committee members, the future direction of the Audit Service is currently under review; the forecast underspend relates to vacant posts (partly off-set by the secondment of an interim Audit Manager.)
Support - Exchequer and Procurement	16	13	Additional agency staff to cover maternity leave and other staff absence.

*For noting, figures in brackets represent a favourable variance*

### Future Issues/Risk Areas

The full service of Universal Credit, seeing the transfer of new claims to Universal Credit, will commence from November 2018. Migration for existing claims will be phased after this date; however, pensioner cases will be retained. Regular liaison meetings are taking place between DBC/SDC managers and DWP partnership managers.

**Adrian Rowbotham**  
**Chief Finance Officer**  
**October 2018**

### Planning – September 2018 Commentary

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Administrative Expenses – Planning Services	16	8	This is the result of office maintenance, and recruitment costs.
Conservation	1	30	This is costs associated with five Conservation Area Appraisals being undertaken by an expert consultant.
Planning - Appeals	(16)	29	This is due to a costs award at Broom Hill, Swanley.
Planning – CIL Administration	25		This is an underspend on salary, which is offset by a timing difference on income. Any surplus will be reinvested in the agreed CIL reserve.
Planning - Development Management	17	(48)	The forecast predicts an underspend at year end resulting from vacancies, partly offset by underachievement of planning application fee income, which is kept under continuous review.
Planning - Enforcement	(11)	(50)	This is an underspend on Salaries as a result of the vacant team leader post.
Planning Policy	(40)	(40)	This relates to an underspend on Salaries due to vacancies, including the Strategic Planning Manager post. The new post holder started in September 18. Any underspend can form part of the Local Plan reserve.
Building Control	(10)	(2)	The net position of additional fees, offset by additional partnership costs.

*For noting, figures in brackets represent a favourable variance*

#### **Future Issues/Risk Areas**

There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts. A cost award at Broom Hill has been settled, incorporated above. The risk is ongoing and associated costs remain uncertain. Application fee income is also uncertain and is currently below budgeted profile. This is being closely monitored.

Staff turnover remains high and recruiting to vacant posts continues to be difficult.

**Richard Morris**  
**Chief Planning Officer**  
**October 2018**

**Investment Property – September 2018 Commentary**

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Investment Properties	(12)	(20)	Savings on budgeted rates at 96 High Street as it is now tenanted.

*For noting, figures in brackets represent a favourable variance*

**Future Issues/Risk Areas**

Any surplus on this budget will be transferred to a reserve as agreed at budget setting to assist with any future maintenance and voids.
--

**Lesley Bowles**  
**Chief Officer - Communities and Business**  
 October 2018

*Position as at the end of September 18  
(Period 201906)*

Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Annual Variance £'000	Annual Variance %	
Communities & Business	995	1,497	1,548	51	3.4
Corporate Services	1,623	2,906	2,935	29	1.0
Environmental & Operational Services	1,902	4,802	4,871	69	1.4
Financial Services	2,350	4,632	4,648	17	0.4
Planning Services	598	1,254	1,277	23	1.8
	<b>7,467</b>	<b>15,091</b>	<b>15,280</b>	<b>189</b>	<b>1.3</b>
<i>Adjustments to Reconcile to amount to be met from reserves</i>					
Direct Services Trading Account	(187)	(144)	(144)	0	0.0
Capital Charges outside the General Fund	(30)	(60)	(60)	0	0.0
Support Services outside the General Fund	(92)	(183)	(183)	0	0.0
<b>NET SERVICE EXPENDITURE</b>	<b>7,158</b>	<b>14,704</b>	<b>14,893</b>	<b>189</b>	<b>1.3</b>
Revenue Support Grant and New Homes Bonus	(660)	(1,320)	(1,320)	0	0.0
Retained Business Rates	(1,350)	(2,700)	(2,950)	(250)	(9.3)
Council Tax	(5,210)	(10,420)	(10,420)	0	(0.0)
Contribution from Collection Fund	(128)	(255)	(255)	0	0.0
Summary excluding Investment Income	<b>(189)</b>	<b>9</b>	<b>(53)</b>	<b>(61)</b>	<b>(689.3)</b>
Investment Property Income	(609)	(735)	(755)	(20)	0.0
Interest Receipts	(112)	(130)	(200)	(70)	0.0
<b>OVERALL TOTAL</b>	<b>(910)</b>	<b>(856)</b>	<b>(1,008)</b>	<b>(151)</b>	<b>17.6</b>
Planned Appropriation to/(from) Reserves	437	873	873	0	
Other Reserve Movements	0	0	250	250	
Supplementary Estimates	0	(17)	(17)	0	
(Surplus)/Deficit	<b>(473)</b>	<b>0</b>	<b>99</b>	<b>99</b>	

### 3. Services by Chief Officer

#### *Position as at the end of September 18 (Period 201906)*

#### **Communities and Business SDC Funded**

Administrative Expenses - Communities & Business	18	26	26	-
Administrative Expenses - Housing	1	-	-	-
All Weather Pitch	(3)	(5)	(5)	-
Community Development Service Provisions	(4)	(6)	(6)	-
Community Safety	110	183	189	6
Economic Development	29	57	57	-
Economic Development Property	187	277	322	45
Grants to Organisations	163	183	183	-
Health Improvements	22	44	44	-
Housing Initiatives	32	53	53	-
Homeless	104	130	130	-
Homelessness Funding	23	-	-	-
Housing	149	204	204	-
Homelessness Prevention	10	-	-	-
Housing Energy Retraining Options (HERO)	62	36	36	-
Leader Programme	2	5	5	-
Leisure Contract	24	168	168	-
Leisure Development	10	20	20	-
The Community Plan	24	55	55	-
Tourism	19	31	31	-
West Kent Partnership	(11)	-	-	-
Youth	23	36	36	-
<b>Total Communities &amp; Business (SDC Funded)</b>	<b>995</b>	<b>1,497</b>	<b>1,548</b>	<b>51</b>

Y-T-D	Annual	Annual	Forecast
Actual	Budget	Forecast	Annual
£'000	£'000	(including Accruals)	Variance
		£'000	£'000
18	26	26	-
1	-	-	-
(3)	(5)	(5)	-
(4)	(6)	(6)	-
110	183	189	6
29	57	57	-
187	277	322	45
163	183	183	-
22	44	44	-
32	53	53	-
104	130	130	-
23	-	-	-
149	204	204	-
10	-	-	-
62	36	36	-
2	5	5	-
24	168	168	-
10	20	20	-
24	55	55	-
19	31	31	-
(11)	-	-	-
23	36	36	-
<b>995</b>	<b>1,497</b>	<b>1,548</b>	<b>51</b>

**Position as at the end of September 18  
(Period 201906)**

**Communities and Business Externally Funded**

Choosing Health WK PCT	21	-	-	-
Community Sports Activation Fund	8	-	-	-
Dementia Area Project - Run Walk Push	(3)	-	-	-
Dunton Green Projects - S106	23	-	-	-
One You - Your Home Project	(21)	-	-	-
Partnership - Home Office	(14)	-	-	-
PCT Health Checks	(0)	-	-	-
PCT Initiatives	(5)	-	-	-
Repair & Renew Flood Support Scheme	-	-	-	-
Sport Satellite Clubs	(1)	-	-	-
Sportivate Inclusive Archery Project	0	-	-	-
Troubled Families Project	(2)	-	-	-
West Kent Enterprise Advisor Network	8	-	-	-
West Kent Kick Start	(10)	-	-	-
West Kent Partnership Business Support	(6)	-	-	-
<b>Total Communities &amp; Business (Ext Funded)</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Total Communities & Business**

Y-T-D	Annual	Annual	Forecast
Actual	Budget	Forecast	Annual
£'000	£'000	(including	Variance
		Accruals)	£'000
		£'000	£'000
21	-	-	-
8	-	-	-
(3)	-	-	-
23	-	-	-
(21)	-	-	-
(14)	-	-	-
(0)	-	-	-
(5)	-	-	-
-	-	-	-
(1)	-	-	-
0	-	-	-
(2)	-	-	-
8	-	-	-
(10)	-	-	-
(6)	-	-	-
<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>995</b>	<b>1,497</b>	<b>1,548</b>	<b>51</b>

**Position as at the end of September 18  
(Period 201906)**

**Corporate Services**

	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Asset Maintenance IT	133	277	277	-
Civic Expenses	16	16	16	-
Democratic Services	75	143	143	-
Elections	49	129	129	-
Register of Electors	88	234	223	(11)
Administrative Expenses - Corporate Services	6	21	21	-
Land Charges	(27)	(103)	(63)	40
Street Naming	(7)	5	5	-
Administrative Expenses - Legal and Democratic	41	51	51	-
Administrative Expenses - Human Resources	40	5	5	-
Support - Contact Centre	219	445	445	-
Support - General Admin	31	33	33	-
Support - IT	614	1,046	1,046	-
Support - Legal Function	102	206	206	-
Support - Local Offices	25	31	31	-
Support - Nursery	1	-	-	-
Support - Human Resources	170	270	270	-
Corporate Projects	48	95	95	-
<b>Total Corporate Services</b>	<b>1,623</b>	<b>2,906</b>	<b>2,935</b>	<b>29</b>

**Position as at the end of September 18  
(Period 201906)**

**Environment and Operational**

	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Air Quality (Ext Funded)	3	-	-	-
Asset Maintenance Argyle Road	22	108	108	-
Asset Maintenance CCTV	0	17	17	-
Asset Maintenance Countryside	-	8	8	-
Asset Maintenance Other Corporate Properties	11	48	48	-
Asset Maintenance Direct Services	6	39	39	-
Asset Maintenance Hever Road	45	38	38	-
Asset Maintenance Leisure	104	178	178	-
Asset Maintenance Playgrounds	6	8	8	-
Asset Maintenance Support & Salaries	23	83	83	-
Asset Maintenance Sewage Treatment Plants	-	8	8	-
Asset Maintenance Public Toilets	-	7	7	-
Bus Station	3	17	17	-
Car Parks	(878)	(1,899)	(1,884)	15
Car Parking - On Street	(271)	(495)	(495)	-
CCTV	149	258	280	22
Civil Protection	22	47	47	-
Dartford Environmental Hub (SDC Costs)	-	-	-	-
EH Commercial	1	279	279	-
EH Animal Control	10	1	1	-
EH Environmental Protection	12	386	396	10

**Position as at the end of September 18  
(Period 201906)**

**Environment and Operational cont.**

	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Emergency	33	66	66	-
Energy Efficiency	11	29	29	-
Estates Management - Buildings	32	(18)	17	35
Estates Management - Grounds	53	113	113	-
Gypsy Sites	(7)	(26)	(17)	9
Disabled Facilities Grant Administration	(22)	(20)	(20)	-
Housing Premises	(2)	1	1	-
Kent Resource Partnership	(200)	-	-	-
Licensing Partnership Hub (Trading)	(22)	-	-	-
Licensing Partnership Members	(0)	-	-	-
Licensing Regime	(38)	(0)	(0)	-
Markets	(117)	(182)	(187)	(5)
Parking Enforcement - Tandridge DC	(11)	-	(30)	(30)
Parks and Recreation Grounds	60	116	116	-
Parks - Greensand Commons Project	(3)	-	-	-
Parks - Rural	47	114	114	-
Private Sector Housing	109	198	198	-
Private Sector Housing Maintenance Operatives	6	-	-	-
Public Transport Support	-	0	0	-
Refuse Collection	1,382	2,683	2,755	72
Administrative Expenses - Direct Services	0	-	-	-
Administrative Expenses - Health	2	15	15	-
Administrative Expenses - Licensing	0	10	10	-
Administrative Expenses - Property	3	4	4	-
Administrative Expenses - Transport	4	8	8	-
Street Cleansing	702	1,415	1,415	-

**Position as at the end of September 18  
(Period 201906)**

**Environment and Operational cont.**

	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Support - Central Offices	328	450	440	(10)
Support - Central Offices - Facilities	126	290	278	(12)
Support - General Admin	90	234	202	(32)
Support - Health and Safety	5	17	17	-
Support - Direct Services	13	58	48	(10)
Support - Procurement	2	6	6	-
Support - Property Function	27	48	48	-
Sevenoaks Switch and Save	(0)	-	-	-
Taxis	(10)	(11)	(11)	-
Public Conveniences	31	46	51	5
<b>Total Environmental and Operational Services</b>	<b>1,902</b>	<b>4,802</b>	<b>4,871</b>	<b>69</b>

**Position as at the end of September 18  
(Period 201906)**

**Finance**

Action and Development	-	7	7	-
Benefits Admin	(289)	167	174	7
Benefits Grants	237	(25)	(25)	-
Consultation and Surveys	-	4	4	-
Corporate Management	462	995	995	-
Corporate - Other	-	298	278	(20)
Dartford Partnership Hub (SDC costs)	1,049	-	-	-
Equalities Legislation	-	19	-	(19)
External Communications	79	192	192	-
Housing Advances	1	1	1	0
Local Tax	(466)	(21)	36	57
Members	215	428	428	-
Misc. Finance	867	1,734	1,734	-
Performance Improvement	7	(1)	(1)	-
Administrative Expenses - Chief Executive	7	30	22	(8)
Administrative Expenses - Finance	10	33	36	3
Administrative Expenses - Transformation and Strategy	1	5	5	-
Support - Counter Fraud	(42)	52	52	-
Support - Audit Function	(11)	170	146	(24)
Support - Exchequer and Procurement	63	103	116	13
Support - Finance Function	107	218	218	-
Support - General Admin	(3)	111	118	7
Treasury Management	54	114	114	-
<b>Total Finance</b>	<b>2,350</b>	<b>4,632</b>	<b>4,648</b>	<b>17</b>

Y-T-D	Annual	Annual	Forecast
Actual	Budget	Forecast	Annual
£'000	£'000	(including	Variance
		Accruals)	
		£'000	£'000
-	7	7	-
(289)	167	174	7
237	(25)	(25)	-
-	4	4	-
462	995	995	-
-	298	278	(20)
1,049	-	-	-
-	19	-	(19)
79	192	192	-
1	1	1	0
(466)	(21)	36	57
215	428	428	-
867	1,734	1,734	-
7	(1)	(1)	-
7	30	22	(8)
10	33	36	3
1	5	5	-
(42)	52	52	-
(11)	170	146	(24)
63	103	116	13
107	218	218	-
(3)	111	118	7
54	114	114	-
<b>2,350</b>	<b>4,632</b>	<b>4,648</b>	<b>17</b>

**Position as at the end of September 18  
(Period 201906)**

**Planning Services**

Administrative Expenses - Planning Services	34	44	52	8
Community Housing Fund	7	-	-	-
Conservation	47	91	121	30
LDF Expenditure	0	-	-	-
Planning - Appeals	83	198	227	29
Planning - CIL Administration	-	(49)	(49)	-
Planning - Counter	(0)	-	-	-
Planning - Development Management	121	194	242	48
Planning - Enforcement	129	279	229	(50)
Planning Policy	240	598	558	(40)
Building Control Discretionary Work	-	-	-	-
Building Control Partnership Members	-	-	-	-
Building Control Partnership Hub (SDC Costs)	(2)	-	-	-
Building Control	(67)	(113)	(116)	(2)
Dangerous Structures	1	3	3	-
Administrative Expenses - Building Control	4	11	11	-

**Total Planning Services**

Y-T-D	Annual	Annual	Forecast
Actual	Budget	Forecast (including Accruals)	Annual Variance
£'000	£'000	£'000	£'000
34	44	52	8
7	-	-	-
47	91	121	30
0	-	-	-
83	198	227	29
-	(49)	(49)	-
(0)	-	-	-
121	194	242	48
129	279	229	(50)
240	598	558	(40)
-	-	-	-
-	-	-	-
(2)	-	-	-
(67)	(113)	(116)	(2)
1	3	3	-
4	11	11	-
<b>598</b>	<b>1,254</b>	<b>1,277</b>	<b>23</b>

## 4. Cumulative Salary Monitoring

### Position as at the end of September 18 (Period 201906)

Communities and Business

Corporate Services

Environmental & Operational Services:

- Emergency Planning & Property

- Environmental Health

- Licensing

- Operational Services

- Parking

Financial Services

Planning Services

- Planning

- Building Control

**Sub Total**

Council Wide - Vacant Posts

Staff Recruitment and Retention

**TOTAL SDC Funded Salary Costs**

Externally Funded & Funded from other sources (gross figures).  
Overspendings here are matched by external funding and represent additional resources secured for the Council since the budget was set.

Communities and Business Ext. Funded

Environmental & Operational Services Ext Funded

**TOTAL All Salary Costs**

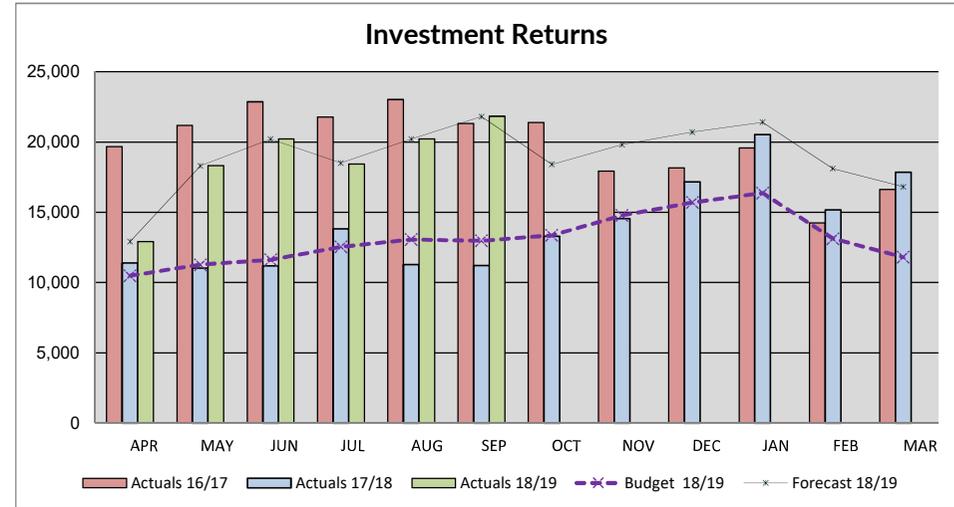
Y-T-D	Annual	Annual	Annual	Annual
Actual	Budget	Forecast	Variance	Variance
£'000	£'000	£'000	£'000	%
459	967	967	0	-
1,192	2,307	2,307	0	-
2,824	6,002	5,924	(78)	(1)
369	775	765	(10)	(1)
300	645	645	0	-
163	370	370	0	-
1,790	3,790	3,722	(68)	(2)
202	421	421	0	-
1,356	2,769	2,734	(35)	(1)
1,111	2,527	2,277	(250)	(10)
948	2,206	1,956	(250)	(11)
163	321	321	0	-
6,942	14,572	14,209	(363)	(2)
0	20	0	(20)	-
0	71	71	0	-
6,942	14,664	14,280	(383)	(3)
260	514	514	0	-
85	169	169	0	-
344	683	683	0	-
7,287	15,347	14,963	(383)	(2)

5 Direct Services  
Sep-18

2018-19 Sep-18	PERIOD				YEAR-TO-DATE				ANNUAL			Y-T-D NET VARIANCE			ANNUAL NET VARIANCE		
	Budget	Actual	Actual / Budget	Variance	Budget	Actual	Actual / Budget	Variance	Budget	Forecast	Variance	Net Budget by Service	Net Actual by Service	Variance by Service	Net Budget by Service	Net Actual by Service	Variance by Service
	£'000	£'000	%	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>																	
Refuse	(215)	(215)	0.0		(1279)	(1285)	(0.5)	(6)	(2558)	(2558)	0	0	31	32	(1)	(1)	0
CDSU	(9)	(8)	2.9		(50)	(50)	(0.1)	0	(101)	(101)	0	10	10		19	19	0
Street & Toilet Cleaning	(117)	(120)	(2.9)	(3)	(674)	(683)	(1.4)	(9)	(1347)	(1347)	0	(18)	1	20	(36)	(36)	0
Trade	(32)	(32)	(0.9)	0	(257)	(243)	5.6	14	(465)	(465)	0	(50)	(55)	(5)	(49)	(49)	0
Workshop	(55)	(72)	(31.1)	(17)	(331)	(366)	(10.6)	(35)	(662)	(662)	0	(1)	(2)	(1)	(1)	(1)	0
Green Waste	(55)	(58)	(5.8)	(3)	(318)	(358)	(12.6)	(40)	(535)	(535)	0	(60)	(110)	(50)	(19)	(19)	0
Cesspools	(20)	(20)	0.4		(117)	(116)	1.1	1	(235)	(235)	0	(14)	(24)	(9)	(29)	(29)	0
Pest Control	(18)	(6)	63.8	11	(59)	(42)	28.3	17	(88)	(88)	0	(15)	3	17	0	0	0
Grounds	(15)	(15)	(1.5)	0	(89)	(90)	(0.8)	(1)	(180)	(180)	0	(8)	(15)	(6)	(18)	(18)	0
Fleet	(76)	(79)	(3.8)	(3)	(459)	(470)	(2.5)	(12)	(917)	(917)	0	0	(18)	(18)	0	0	0
Depot	(22)	(20)	10.9	2	(140)	(137)	2.1	3	(292)	(292)	0	6	0	(7)	0	0	0
Emergency	(5)	(5)	0.0	0	(27)	(27)	0.0	0	(55)	(55)	0	(5)	(9)	(5)	(9)	(9)	0
<b>Total Income</b>	<b>(638)</b>	<b>(651)</b>	<b>(2.0)</b>	<b>(13)</b>	<b>(3801)</b>	<b>(3868)</b>	<b>(1.8)</b>	<b>(67)</b>	<b>(7436)</b>	<b>(7436)</b>		<b>(155)</b>	<b>(187)</b>	<b>(32)</b>	<b>(145)</b>	<b>(145)</b>	
<b>Expenditure</b>																	
Refuse	213	224	5.2	11	1,279	1,316	2.9	37	2,557	2,557	0						
CDSU	10	12	16.9	2	60	60	0.8		119	119	0						
Street & Toilet Cleaning	109	122	11.4	12	655	684	4.4	29	1,311	1,311	0						
Trade	35	29	(15.5)	(5)	208	188	(9.4)	(20)	415	415	0						
Workshop	55	93	68.9	38	330	364	10.3	34	661	661	0						
Green Waste	39	42	6.9	3	258	248	(3.8)	(10)	516	516	0						
Cesspools	17	15	(10.7)	(2)	103	93	(10.1)	(10)	206	206	0						
Pest Control	7	7	(11.3)	(1)	44	45	1.2	1	88	88	0						
Grounds	13	12	(8.8)	(1)	81	75	(7.0)	(6)	162	162	0						
Fleet	76	80	4.5	3	459	453	(1.3)	(6)	917	917	0						
Depot	24	20	(17.3)	(4)	147	137	(6.7)	(10)	292	292	0						
Emergency	4	3	(17.0)	(1)	23	18	(20.7)	(5)	46	46	0						
<b>Total Expenditure</b>	<b>603</b>	<b>659</b>	<b>9.2</b>	<b>55</b>	<b>3646</b>	<b>3681</b>	<b>1.0</b>	<b>35</b>	<b>7291</b>	<b>7291</b>	<b>0</b>						
<b>Net</b>	<b>(34)</b>	<b>8</b>	<b>7.1</b>	<b>42</b>	<b>(155)</b>	<b>(187)</b>	<b>(0.8)</b>	<b>(32)</b>	<b>(145)</b>	<b>(145)</b>							

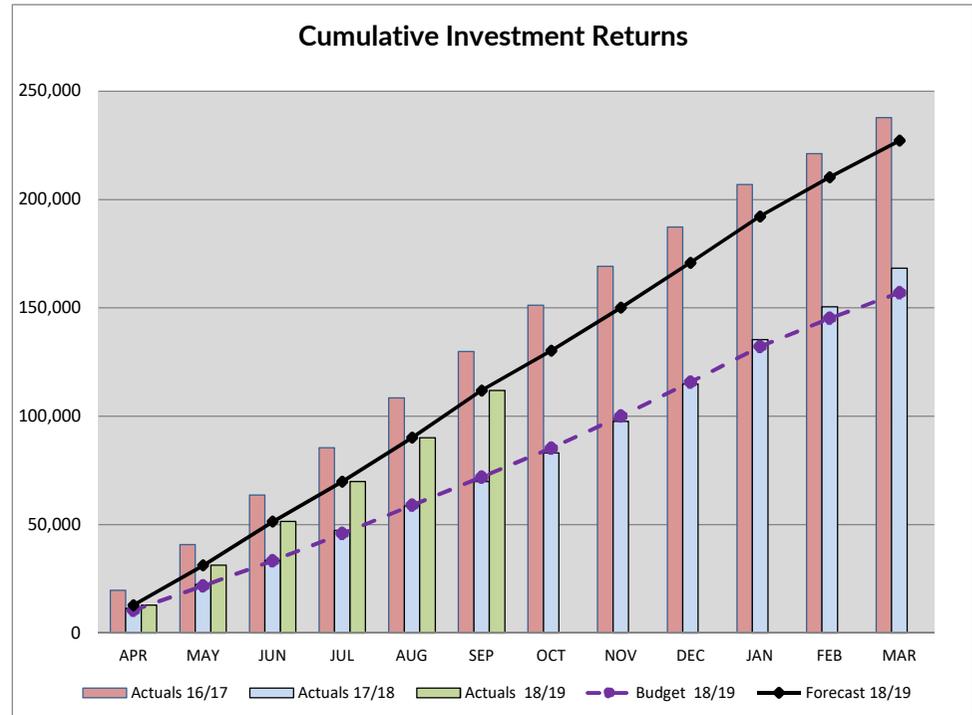
## 6 Investment Returns

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Budget 18/19	Variance	Forecast 18/19
APR	19,679	11,389	12927	10,480	2,447	12,900
MAY	21,188	11,020	18323	11,259	7,064	18,300
JUN	22,859	11,182	20233	11,622	8,611	20,200
JUL	21,769	13,806	18443	12,530	5,913	18,500
AUG	23,005	11,280	20224	13,050	7,174	20,200
SEP	21,312	11,190	21831	12,963	8,868	21,800
OCT	21,399	13,282		13,361		18,400
NOV	17,942	14,533		14,782		19,800
DEC	18,150	17,148		15,683		20,700
JAN	19,573	20,510		16,362		21,400
FEB	14,244	15,173		13,113		18,100
MAR	16,626	17,852		11,795		16,800
<b>TOTAL</b>	<b>237,746</b>	<b>168,365</b>	<b>111,981</b>	<b>157,000</b>	<b>40,077</b>	<b>227,100</b>



### INVESTMENT RETURNS (CUMULATIVE)

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Budget 18/19	Variance	Forecast 18/19
APR	19,679	11,389	12927	10,480	2,447	12,900
MAY	40,867	22,409	31250	21,739	9,511	31,200
JUN	63,726	33,591	51483	33,361	18,122	51,400
JUL	85,495	47,397	69926	45,891	24,035	69,900
AUG	108,500	58,677	90150	58,941	31,209	90,100
SEP	129,812	69,867	111981	71,904	40,077	111,900
OCT	151,211	83,149		85,265		130,300
NOV	169,153	97,682		100,047		150,100
DEC	187,303	114,830		115,730		170,800
JAN	206,876	135,340		132,092		192,200
FEB	221,120	150,513		145,205		210,300
MAR	237,746	168,365		157,000		227,100



BUDGET FOR 2018/19                    157,000  
 FORECAST OUTTURN                    227,100

CODE:-                    **YHAA    96900**

**N.B.**

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

Fund Average                    0.6175%  
 7 Day LIBID                    0.4350%  
 3 Month LIBID                    0.6067%

STAFFING STATISTICS SEPTEMBER 2018

	BUDGET FTE	STAFF FTE	AGENCY STAFF	CASUAL FTE	TOTAL	COMMENTS	AUGUST TOTALS
<b>1. Communities and Business</b>	20.35	22.77	0.00	0.10	22.87	This includes Housing Advice	23.12
<b>2. Corporate Services</b> Contact Centre, HR, Secretarial, Legal, Democratic Service, Elections	60.88	59.65	0.00	0.00	59.65		59.97
<b>3. Environmental &amp; Operational Services</b>	168.02	157.00	22.24	2.17	181.41		179.82
<i>3a. Environmental Health</i>	12.57	12.14	1.00	0.00	13.14	This includes BC, HS, & FM	12.14
<i>3b. Licensing</i>	10.81	8.18	0.00	0.34	8.52		7.37
<i>3c &amp; 3d Operational Services + CCTV</i>	112.16	105.77	21.24	1.70	128.71		129.40
<i>3e. Parking &amp; Amenity Services</i>	12.00	11.00	0.00	0.00	11.00		11.00
<i>3f. Property Services</i>	20.48	19.91	0.00	0.13	20.04		19.91
<b>4. Finance</b> Finance, Revenues & Benefits, Transformation & Strategy, & Chief Executive	69.81	60.71	3.00	0.15	63.86		51.26
<b>5a. Planning</b>	51.98	50.65	0.00	0.00	50.65		60.89
<i>5b. Building Control</i>	7.00	7.00	0.00	0.00	7.00		7.00
<b>SUB TOTAL</b>	<b>378.04</b>	<b>357.78</b>	<b>25.24</b>	<b>2.42</b>	<b>385.44</b>		<b>382.06</b>
<u>EXTERNALLY FUNDED POSTS</u>							
<b>7. Communities and Business</b>	14.5	8.51	0.00	0	8.51		8.51
<b>8. Operational Services</b>	2	2	0.00	0	2		2.00
<b>9. Property Services</b>	1.50	1.50	0.00	0.00	1.50		1.50
<b>SUB TOTAL</b>	<b>18.00</b>	<b>12.01</b>	<b>0.00</b>	<b>0.00</b>	<b>12.01</b>		<b>12.01</b>
<b>TOTAL</b>	<b>396.04</b>	<b>369.79</b>	<b>25.24</b>	<b>2.42</b>	<b>397.45</b>		<b>394.07</b>
Number of staff paid in September 2018: 399 permanent, 10 casuals							

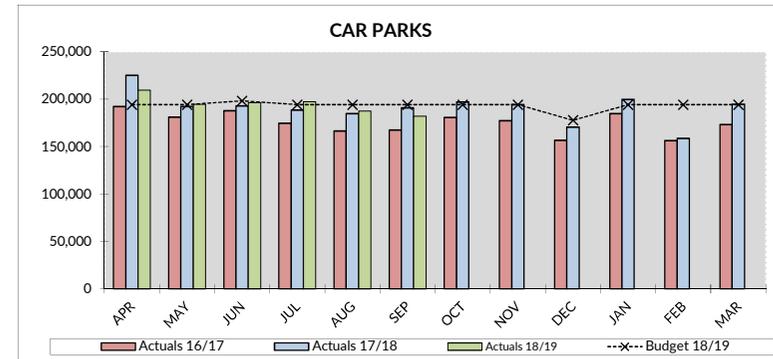
## 8 Income Graphs Summary

		Comparison of 17/18 and 18/19, where brackets show increased income	MANAGER'S PROFILED BUDGET	Variance, where brackets are favourable	ANNUAL BUDGET 2018/19	Annual Forecast
	ACTUAL					
CAR PARKS	1,166,696	7,524	1,169,221	2,526	2,317,943	2,317,943
ON-STREET PARKING	576,859	(21,481)	492,985	(83,874)	985,970	985,970
LAND CHARGES	76,497	14,311	102,505	26,008	205,010	205,010
BUILDING CONTROL	237,883	15,778	227,859	(10,024)	455,717	466,717
DEVELOPMENT MANAGEMENT	403,997	54,090	462,129	58,132	945,275	845,275
	<b>2,461,932</b>	<b>70,222</b>	<b>2,454,699</b>	<b>(7,233)</b>	<b>4,909,915</b>	<b>4,820,915</b>

CAR PARKS (HWCARP)

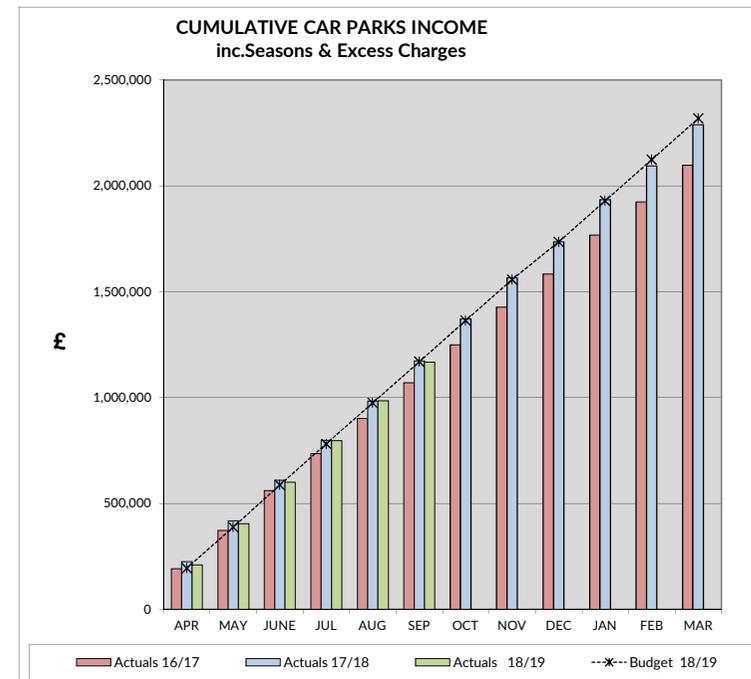
	Actuals 16/17	Actuals 17/18	Actuals 18/19	Increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
1 APR	192,138	225,193	209,387	15,805	194,204	(15,183)	
2 MAY	180,922	192,331	194,451	(2,120)	194,204	(247)	
3 JUN	187,891	192,806	196,119	(3,314)	198,204	2,084	
4 JUL	174,736	188,319	197,332	(9,013)	194,204	(3,128)	
5 AUG	166,394	184,778	187,490	(2,712)	194,204	6,714	
6 SEP	167,317	190,794	181,917	8,877	194,204	12,286	
7 OCT	180,519	196,832			194,204		
8 NOV	177,353	194,124			194,204		
9 DEC	156,462	170,661			177,704		
10 JAN	184,609	199,732			194,204		
11 FEB	156,173	158,761			194,204		
12 MAR	173,095	194,523			194,204		
<b>TOTAL</b>	<b>2,097,610</b>	<b>2,288,853</b>	<b>1,166,696</b>	<b>7,524</b>	<b>2,317,943</b>	<b>2,526</b>	<b>2,317,943</b>

NOTE: Budget Profiles to be reviewed



CAR PARKS (CUMULATIVE)

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Cumulative increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
APR	192,138	225,193	209,387	15,805	194,204	(15,183)	
MAY	373,060	417,523	403,838	13,685	388,407	(15,431)	
JUNE	560,951	610,329	599,957	10,372	586,611	(13,347)	
JUL	735,687	798,648	797,289	1,359	780,814	(16,475)	
AUG	902,081	983,426	984,779	(1,353)	975,018	(9,761)	
SEP	1,069,398	1,174,220	1,166,696	7,524	1,169,221	2,526	
OCT	1,249,917	1,371,052			1,363,425		
NOV	1,427,271	1,565,176			1,557,629		
DEC	1,583,733	1,735,836			1,735,332		
JAN	1,768,342	1,935,568			1,929,536		
FEB	1,924,515	2,094,330			2,123,739		
MAR	2,097,610	2,288,853			2,317,943		2,317,943



Sep-18

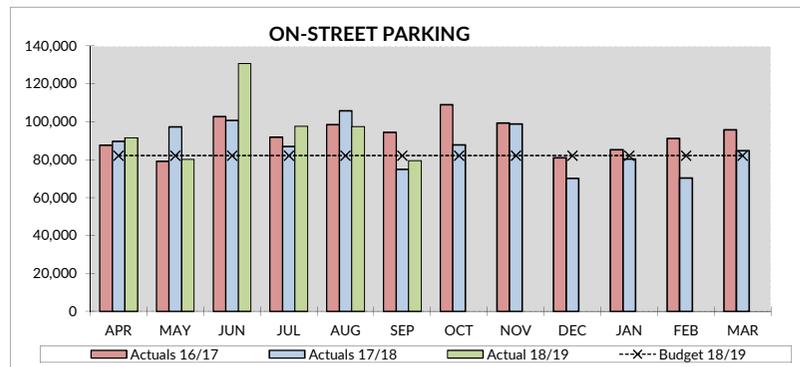
HWCARP

	Actual (Cumulative)	Budget	(Monthly)	
DAY TICKETS	3300	992,344	979,780	165,276
EXCESS / PENALTY CHARGES	***1/**3	(138)		20
SEASON TICKETS	***2	(61)	(0)	
SEASON TICKET CAR PARK	3310	167,311	182,211	16,621
OTHER (inc.Res.Pkg)	***9	26	3,231	-
WAIVERS	3404	2,360		-
RENT	94500	4,854	4,000	
Business Permits	3406 /3408			
<b>TOTAL</b>		<b>1,166,696</b>	<b>1,169,221</b>	<b>181,917</b>

**ON-STREET PARKING (HWDCRIM / HWENFORC)**

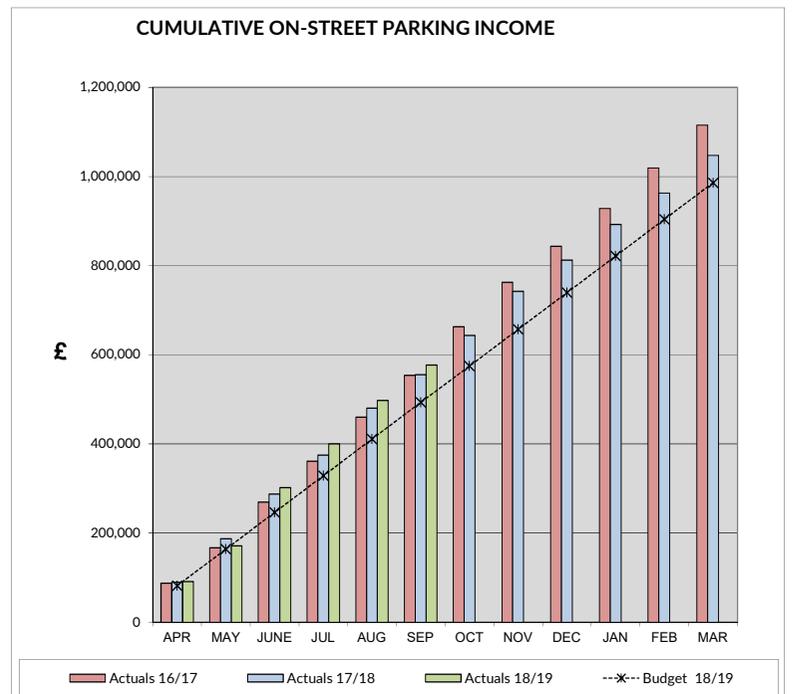
	Actuals 16/17	Actuals 17/18	Actual 18/19	Increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
1 APR	87,604	89,694	91,515	(1,821)	82,164	(9,351)	
2 MAY	79,069	97,250	80,099	17,151	82,164	2,066	
3 JUN	102,773	100,738	130,688	(29,950)	82,164	(48,524)	
4 JUL	91,824	86,987	97,678	(10,691)	82,164	(15,514)	
5 AUG	98,529	105,737	97,434	8,303	82,164	(15,270)	
6 SEP	94,326	74,972	79,445	(4,473)	82,164	2,720	
7 OCT	109,009	87,843			82,164		
8 NOV	99,267	98,849			82,164		
9 DEC	80,925	70,137			82,164		
10 JAN	85,252	80,326			82,164		
11 FEB	91,161	70,259			82,164		
12 MAR	95,761	84,739			82,164		
<b>TOTAL</b>	<b>1,115,500</b>	<b>1,047,530</b>	<b>576,859</b>	<b>(21,481)</b>	<b>985,970</b>	<b>(83,874)</b>	<b>985,970</b>

Note: Budget profiles still subject to review



**ON-STREET PARKING (CUMULATIVE)**

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Cumulative increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
APR	87,604	89,694	91,515	(1,821)	82,164	(9,351)	
MAY	166,673	186,944	171,613	15,330	164,328	(7,285)	
JUNE	269,446	287,681	302,302	(14,620)	246,493	(55,809)	
JUL	361,270	374,669	399,980	(25,311)	328,657	(71,323)	
AUG	459,799	480,406	497,414	(17,008)	410,821	(86,593)	
SEP	554,125	555,378	576,859	(21,481)	492,985	(83,874)	
OCT	663,134	643,221			575,149		
NOV	762,401	742,070			657,313		
DEC	843,326	812,207			739,478		
JAN	928,579	892,532			821,642		
FEB	1,019,739	962,791			903,806		
MAR	1,115,500	1,047,530			985,970		985,970



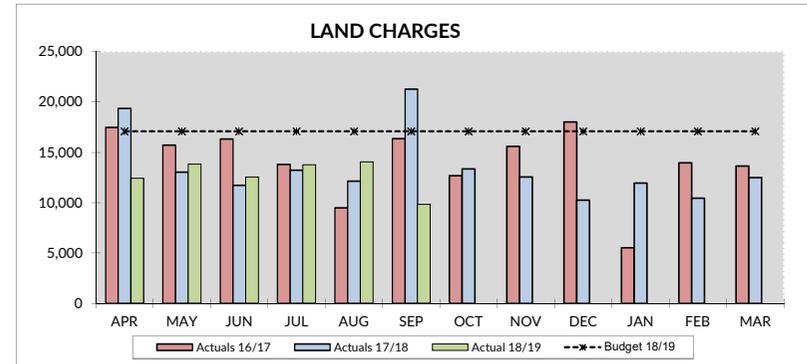
Sep-18

**CUMULATIVE BREAKDOWN**

	Actual (Cumulative)	Budget	(Monthly)
<b>HWDCRIM / HWENFORC</b>			
PENALTY NOTICES & EXCESS CH/3403/****1	162,077	164,711	23,625
WAIVERS	3404	56,454	730
RESIDENTS PERMITS	3406	37,188	5,390
ON STREET PARKING	3300	298,032	47,377
BUSINESS PERMITS	3408	22,651	2,218
Driveway Access Protection Lines	3405	458	105
OTHER	9999		
<b>TOTAL</b>	<b>576,859</b>	<b>492,985</b>	<b>79,445</b>

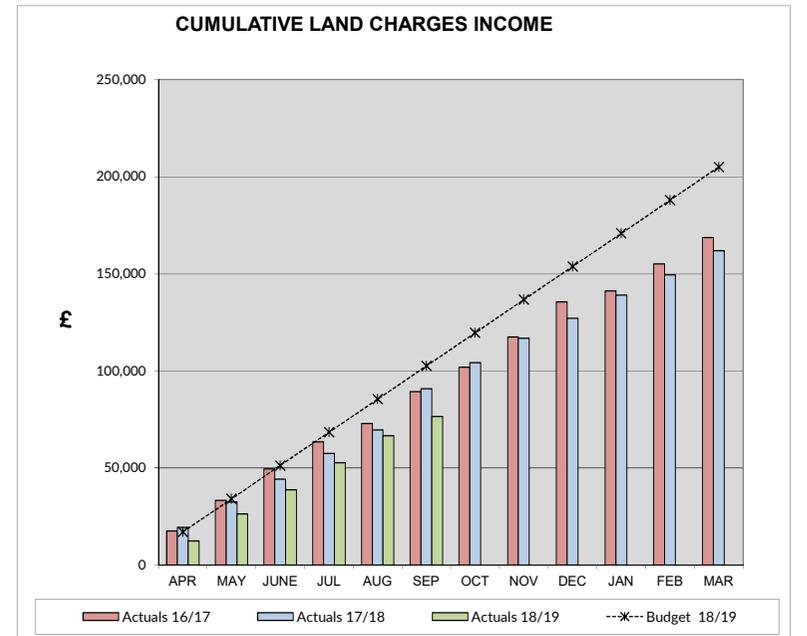
LAND CHARGES (LPLNDCH)

	Actuals 16/17	Actuals 17/18	Actual 18/19	Increase / decrease from 17/18	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
1 APR	17,492	19,382	12,416	6,966	17,084	4,668	17,084
2 MAY	15,735	13,025	13,827	(802)	17,084	3,257	17,084
3 JUN	16,316	11,742	12,546	(804)	17,084	4,538	17,084
4 JUL	13,810	13,243	13,782	(539)	17,084	3,302	17,084
5 AUG	9,491	12,132	14,070	(1,938)	17,084	3,014	17,084
6 SEP	16,375	21,283	9,855	11,428	17,084	7,229	17,084
7 OCT	12,685	13,360			17,084		17,084
8 NOV	15,606	12,568			17,084		17,084
9 DEC	18,035	10,270			17,084		17,084
10 JAN	5,530	11,950			17,084		17,084
11 FEB	13,966	10,438			17,084		17,084
12 MAR	13,637	12,485			17,084		17,084
<b>TOTAL</b>	<b>168,677</b>	<b>161,879</b>	<b>76,497</b>	<b>14,311</b>	<b>205,010</b>	<b>26,008</b>	<b>205,010</b>



LAND CHARGES (CUMULATIVE)

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Cumulative increase / decrease from 17/18	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
APR	17,492	19,382	12,416	6,966	17,084	4,668	17,084
MAY	33,227	32,408	26,244	6,164	34,168	7,925	34,168
JUNE	49,543	44,149	38,789	5,360	51,253	12,463	51,253
JUL	63,353	57,393	52,572	4,821	68,337	15,765	68,337
AUG	72,844	69,525	66,641	2,883	85,421	18,779	85,421
SEP	89,219	90,808	76,497	14,311	102,505	26,008	102,505
OCT	101,904	104,167			119,589		119,589
NOV	117,510	116,735			136,673		136,673
DEC	135,545	127,005			153,758		153,758
JAN	141,074	138,955			170,842		170,842
FEB	155,040	149,394			187,926		187,926
MAR	168,677	161,879			205,010		205,010



Sep-18

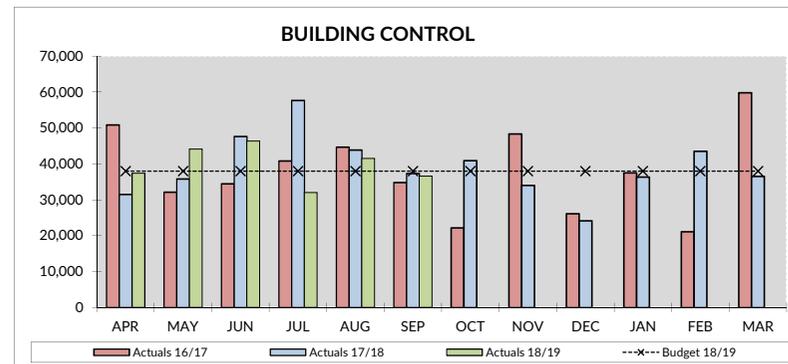
LPLNDCH

Searches Received - Paper  
 Searches Received - Electronic  
 Searches Received - Personal

	Received (Month)	Percentage (Month)	Percentage (Month 18/19)	(Cumulative)
£105	27	12%	13%	316
£86	74	33%	41%	973
£0	122	55%	46%	1,105
<b>TOTAL</b>	<b>223</b>	<b>100%</b>	<b>100.0%</b>	<b>2,394</b>

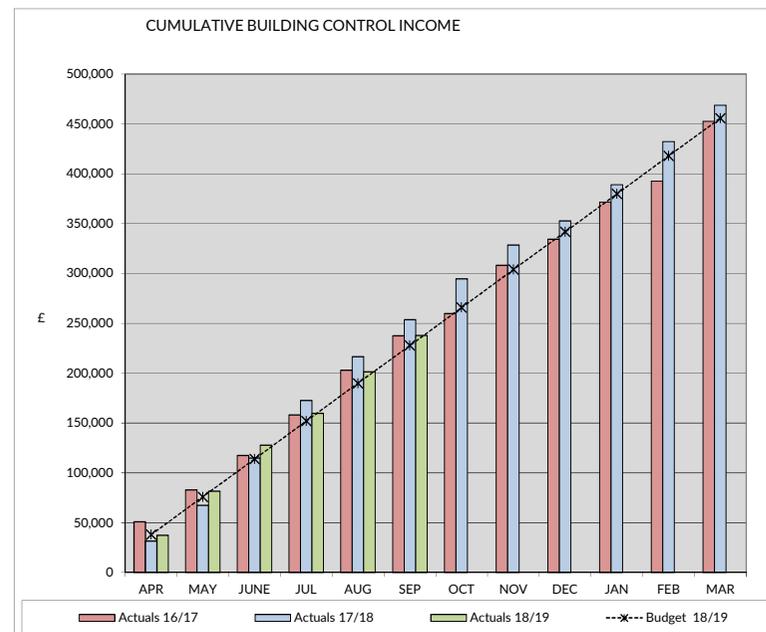
**BUILDING CONTROL (DVBCFEE)**

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
1 APR	50,783	31,511	37,342	(5,831)	37,976	634	
2 MAY	32,063	35,809	44,099	(8,289)	37,976	(6,122)	
3 JUN	34,453	47,602	46,293	1,309	37,976	(8,317)	
4 JUL	40,829	57,651	32,009	25,642	37,976	5,968	
5 AUG	44,666	43,832	41,516	2,316	37,976	(3,540)	
6 SEP	34,775	37,255	36,624	631	37,976	1,352	
7 OCT	22,194	40,902			37,976		
8 NOV	48,342	33,940			37,976		
9 DEC	26,113	24,156			37,976		
10 JAN	37,436	36,291			37,976		
11 FEB	21,118	43,486			37,976		
12 MAR	59,778	36,473			37,976		
<b>TOTAL</b>	<b>452,549</b>	<b>468,910</b>	<b>237,883</b>	<b>15,778</b>	<b>455,717</b>	<b>(10,024)</b>	<b>466,717</b>



**BUILDING CONTROL (CUMULATIVE)**

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Cumulative increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
APR	50,783	31,511	37,342	(5,831)	37,976	634	
MAY	82,846	67,320	81,441	(14,121)	75,953	(5,488)	
JUNE	117,299	114,923	127,734	(12,812)	113,929	(13,805)	
JUL	158,128	172,574	159,743	12,831	151,906	(7,837)	
AUG	202,794	216,406	201,259	15,147	189,882	(11,377)	
SEP	237,569	253,661	237,883	15,778	227,859	(10,024)	
OCT	259,763	294,563			265,835		
NOV	308,105	328,503			303,811		
DEC	334,218	352,660			341,788		
JAN	371,654	388,951			379,764		
FEB	392,772	432,437			417,741		
MAR	452,549	468,910			455,717		466,717



Page 152

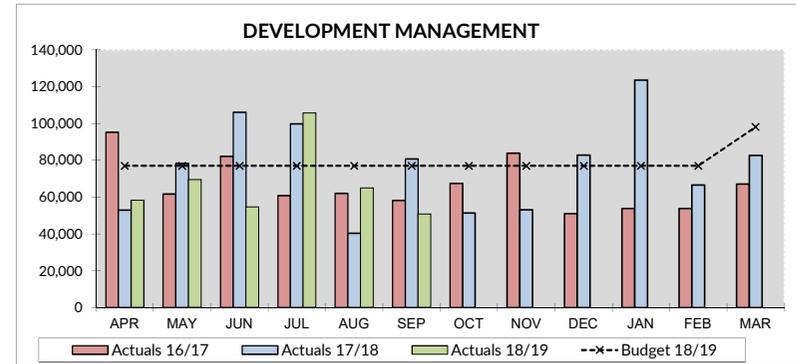
Sep-18

**DVBCFEE**

	Actual (Cumulative)	Budget	(Monthly)
Plan Fee	3066	139,261	20,683
Inspection Fee	3067	88,598	16,066
Other	9999	1,025	(125)
<b>TOTAL</b>	<b>237,883</b>	<b>227,859</b>	<b>36,624</b>

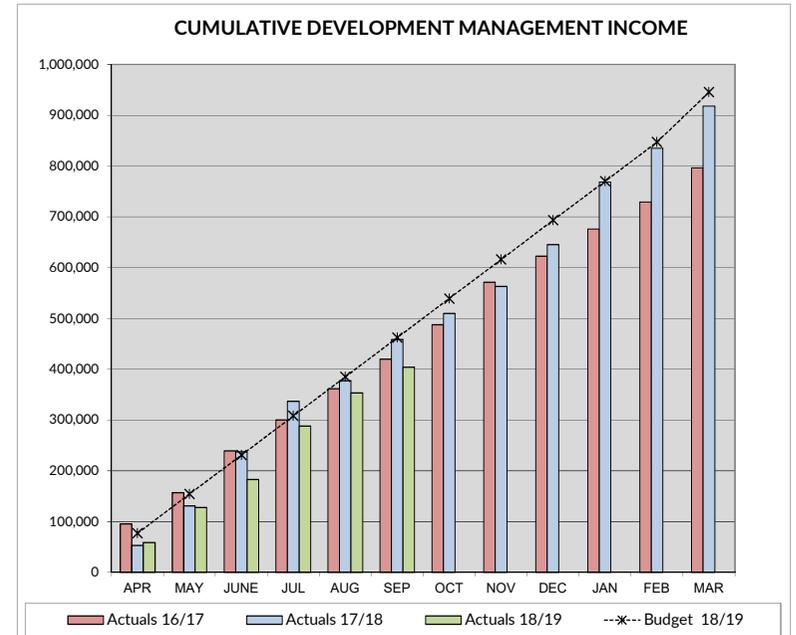
DEVELOPMENT MANAGEMENT (DVDEVCT)

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
1 APR	95,276	52,884	58,404	-5,521	77,022	18,618	
2 MAY	61,633	78,250	69,455	8,796	77,022	7,567	
3 JUN	82,100	106,124	54,668	51,456	77,022	22,354	
4 JUL	60,712	99,681	105,667	-5,985	77,022	(28,645)	
5 AUG	61,967	40,402	64,977	-24,575	77,022	12,045	
6 SEP	58,088	80,747	50,827	29,919	77,022	26,194	
7 OCT	67,514	51,400			77,022		
8 NOV	83,870	53,057			77,022		
9 DEC	51,041	82,753			77,022		
10 JAN	53,719	123,499			77,022		
11 FEB	53,755	66,539			77,022		
12 MAR	67,084	82,682			98,039		
	<b>796,759</b>	<b>918,017</b>	<b>403,997</b>	<b>54,090</b>	<b>945,275</b>	<b>58,132</b>	<b>845,275</b>



DEVELOPMENT MANAGEMENT (CUMULATIVE)

	Actuals 16/17	Actuals 17/18	Actuals 18/19	Cumulative increase / decrease from 17/18 to 18/19	Budget 18/19	Variance (Budget-Actuals)	Manager's Forecast
APR	95,276	52,884	58,404	42,393	77,022	18,618	
MAY	156,909	131,134	127,859	25,775	154,043	26,184	
JUNE	239,009	237,257	182,526	1,752	231,065	48,538	
JUL	299,721	336,939	288,193	(37,218)	308,086	19,893	
AUG	361,688	377,340	353,170	(15,652)	385,108	31,938	
SEP	419,776	458,087	403,997	(38,311)	462,129	58,132	
OCT	487,290	509,487			539,151		
NOV	571,160	562,544			616,172		
DEC	622,201	645,297			693,194		
JAN	675,919	768,796			770,215		
FEB	729,675	835,335			847,237		
MAR	796,759	918,017			945,275		845,275



Sep-18

DVDEVCT

	Actual (Cumulative)	Budget	(Monthly)
Planning Application Fees	3009	354,991	409157
Other	9999	3,244	4110
Pre-application Fees	94301	43,062	43306
Monitoring Fees	94302	2,700	5557
	<b>403,997</b>	<b>462,129</b>	<b>50,827</b>

**Reserves**

	18/19 Opening Balance	18/19 Cumulative Movement to Date	Balance as at end September 2018	18/19 Closing Balance (Budget)	18/19 Closing Balance (Forecast)
	£000	£000	£000	£000	£000
<b>Provisions</b>					
NNDR Appeals	(2,232)	-	(2,232)	(2,232)	(2,232)
Municipal Mutual Insurance (MMI)	(257)	-	(257)	(257)	(257)
Accumulated Absences	(152)	-	(152)	(152)	(152)
	<u>(2,641)</u>	<u>-</u>	<u>(2,641)</u>	<u>(2,641)</u>	<u>(2,641)</u>
<b>Capital Receipts(Gross)</b>	<u>(49)</u>	<u>(328)</u>	<u>(377)</u>	<u>(49)</u>	<u>(377)</u>
<b>Earmarked Reserves</b>					
Budget Stabilisation	(5,610)	94	(5,516)	(5,516)	(5,766)
Financial Plan	(4,020)	501	(3,519)	(4,839)	(4,839)
Asset Maintenance Reserve	(1,000)	-	(1,000)	(1,000)	(1,000)
Business Rates Retention Reserve	(809)	-	(809)	(809)	(809)
Vehicle Renewal	(697)	-	(697)	(697)	(697)
DWP Hsg Benefit Subsidy	(611)	-	(611)	(361)	(361)
IT Asset Maintenance	(590)	-	(590)	(590)	(590)
Corporate Project Support Reserve	(572)	(141)	(713)	(634)	(634)
Local Plan/LDF	(559)	(3)	(562)	(597)	(643)
Carry Forward Items	(508)	-	(508)	(501)	(501)
Pension Fund Valuation Adj.	(500)	-	(500)	(500)	(500)
New Homes Bonus Reserve	(469)	-	(469)	(439)	(406)
Capital Financing Reserve	(445)	(148)	(593)	(593)	(593)
Re-organisation	(423)	-	(423)	(423)	(398)
Action and Development	(396)	-	(396)	(396)	(396)
Vehicle Insurance	(309)	-	(309)	(309)	(309)
Community Development Reserve	(274)	-	(274)	(225)	(225)
First Time Sewerage	(266)	60	(206)	(206)	(206)
Homelessness Prevention	(231)	(241)	(472)	(203)	(412)
Flood Support Scheme	(144)	10	(134)	(144)	(134)
Community Infrastructure Levy (CIL)	(107)	-	(107)	(107)	(158)
Other Earmarked Reserves (balances <£100k)	(644)	81	(563)	(576)	(528)
	<u>(19,184)</u>	<u>213</u>	<u>(18,971)</u>	<u>(19,665)</u>	<u>(20,105)</u>
<b>General Fund</b>					
Required Minimum	(1,500)	-	(1,500)	(1,500)	(1,500)
	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>
<b>TOTAL</b>	<u><b>(23,374)</b></u>	<u><b>(115)</b></u>	<u><b>(23,489)</b></u>	<u><b>(23,855)</b></u>	<u><b>(24,623)</b></u>

**FINANCIAL PERFORMANCE INDICATORS 2018/19 - TO THE END OF SEPTEMBER 2018**

**Finance Advisory Committee - 15 November 2018**

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

---

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

**Portfolio Holder** Cllr John Scholey

**Contact Officer** Alan Mitchell Ext. 7483

---

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

---

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

---

**Introduction and Background**

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

**Key Implications**

Financial

There are no financial implications arising from this report

Legal Implications and Risk Assessment Statement.

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

## Agenda Item 12

### Equality Assessment

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

### **Conclusions**

That Members note the report.

### **Appendices**

Appendix A - Performance Indicators - September 2018 (Tables)

Appendix B - Performance Indicators - September 2018 (Graphs)

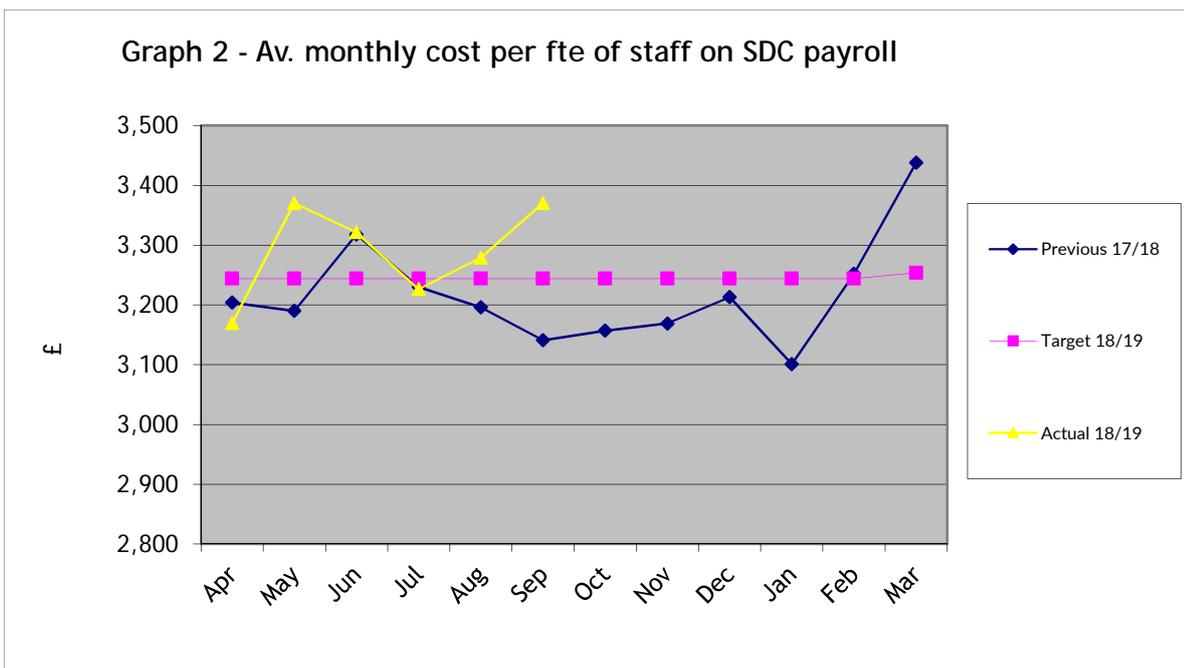
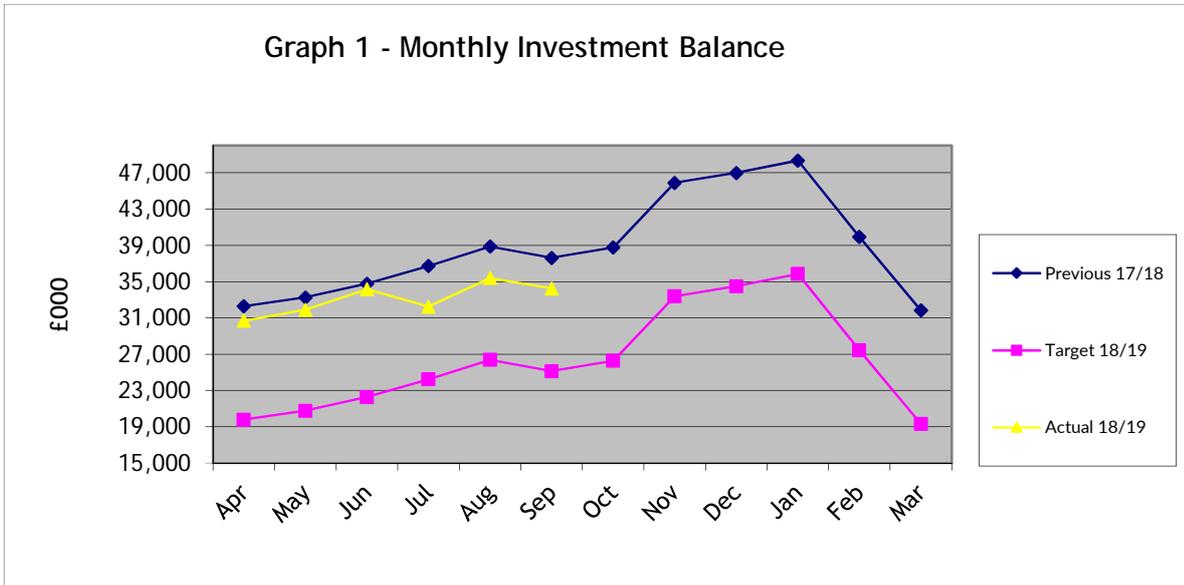
### **Background Papers:**

None

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

Indicator	Target	Actual	Variance	Variance (%)	Notes	Graph
Monthly investment balance (£000)	25,115	34,233	9,118	36.3%	Indicator represents total investments at month end. Investment balances continue to exceed target levels. Capital payments in relation to Buckhurst 2 car park scheme will continue for the remainder of the financial year; £5.25m of PWLB borrowing was acquired in November 17 in relation to this scheme.	1
Average monthly cost per employee (£)	3,245	3,289	45	1.4%	Target is annual pay budget divided by budget FTEs.	2
Average monthly salary cost SDC (£000)	1,229	1,211	(18)	(1.4)%	This indicator refers to directly employed staff only; the costs of agency staff paid on invoices are excluded.	-
Number of employees (Full Time Equivalent (FTE))	396.04	369.79	(26.3)	(6.6)%	Target reflects budgeted FTEs. As at the end of September there were 26.3 FTE vacancies; some posts are temporarily vacant to meet the requirement for the vacancy budget, some are covered by agency staff and others are vacant pending recruitment.	3
Council Tax % collected for 2018/19	58.3	58.3	-	-	LPIFS 19. Monthly cumulative figures.	-
NNDR % collected for 2018/19	57.8	58.0	0.2	0.3 %	LPIFS 20. Monthly cumulative figures.	-
Council Tax payers % on direct debit	72.0	81.3	9.3	12.9%	LPIFS 8 - % on direct debit.	4
Investment return % - fund average	0.60	0.60	0.00	0.1 %	Cumulative return on investments. Target is budget assumption.	5
Investment return % - 3 month LIBID		0.58				
Investment return % - 7 day LIBID		0.36				

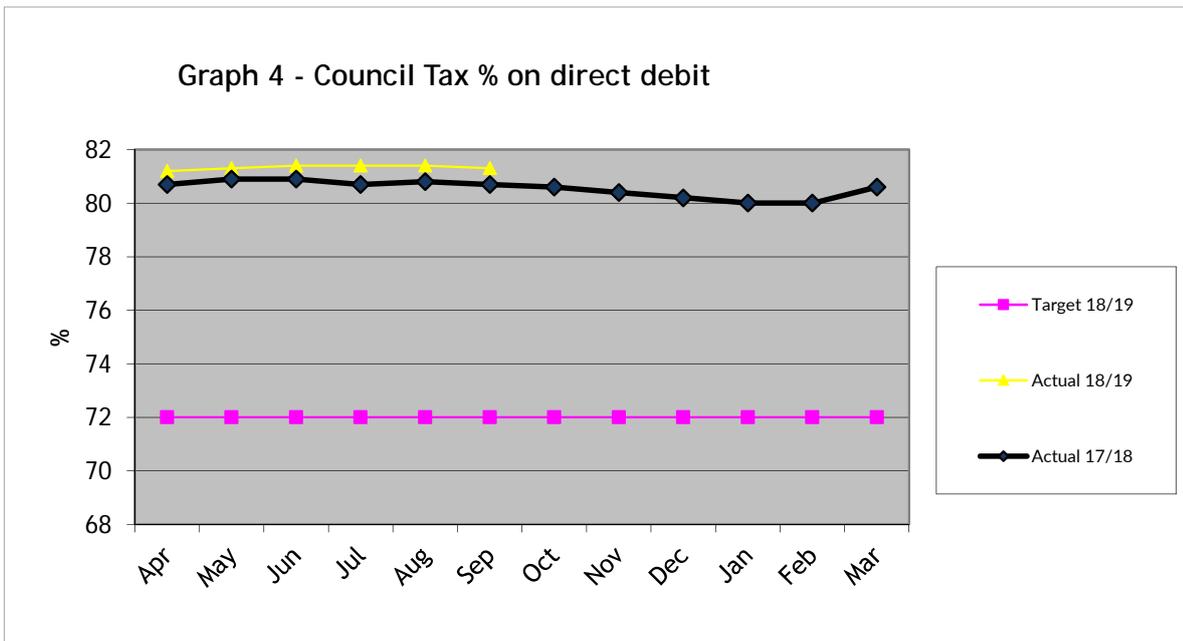
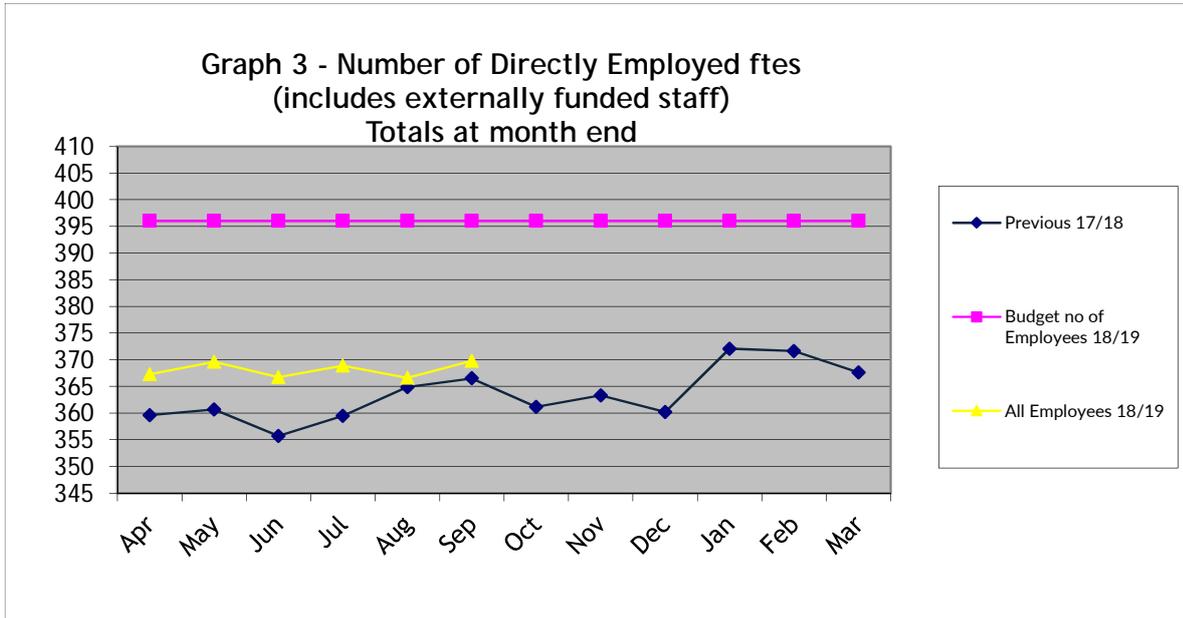
Indicator	Target	Actual	Variance	Variance (%)	Notes	Graph
Sundry debtors: debts over 21 days (£000)	50	68	18.0	36.0 %	21 days is taken as the base as the first reminder is issued after 3 wks. Total debts exclude items on 'indefinite hold', e.g. debtors in administration or where the service has asked to defer follow up action whilst they make further investigations. The total amount of debts raised in the past 12 months was £3.298m. Debts over 21 days represents 2.06% of the debts raised in the past 12 months (ie 97.94% collected within terms).	6
Sundry debtors: debts over 61 days (£000)	30	49	19.0	63.3 %	61 days is when the third reminder is issued. The total amount of debts raised in the past 12 months was £3.298m. Debts still unpaid after 61 days represents 1.49% of the debts raised in the past 12 months (ie 98.51% collected).	7

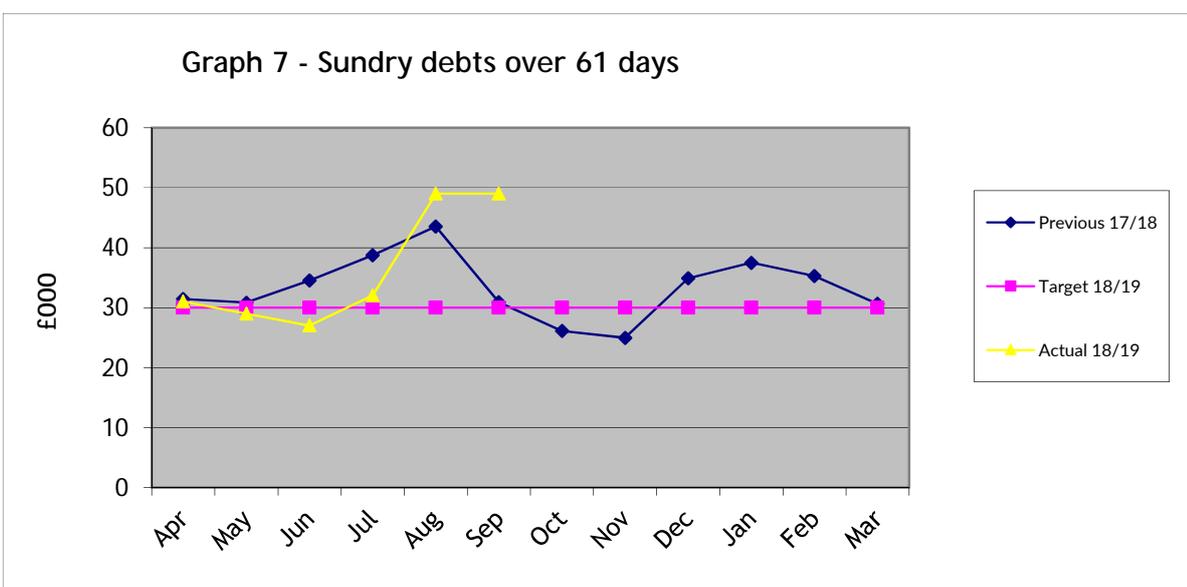
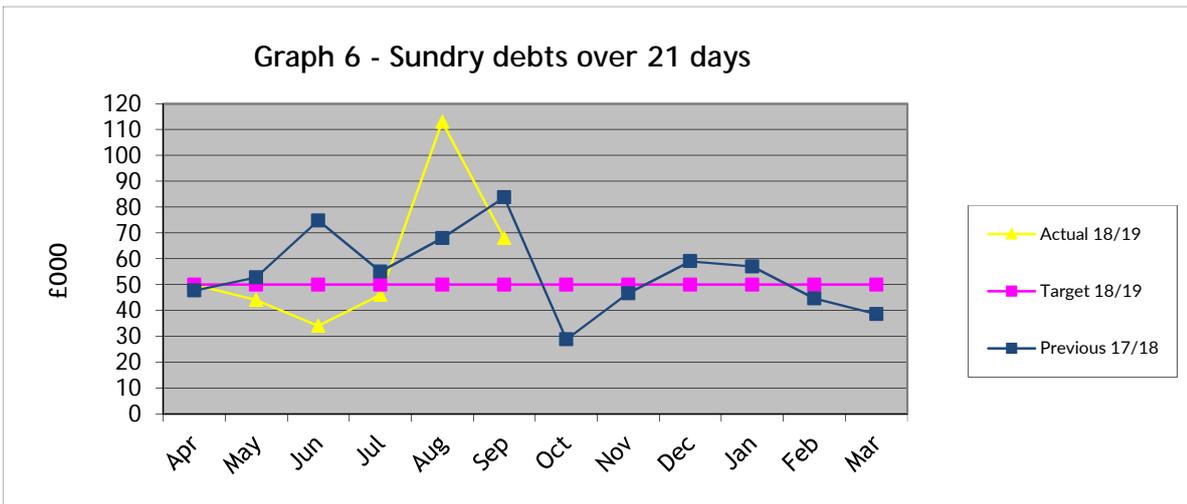
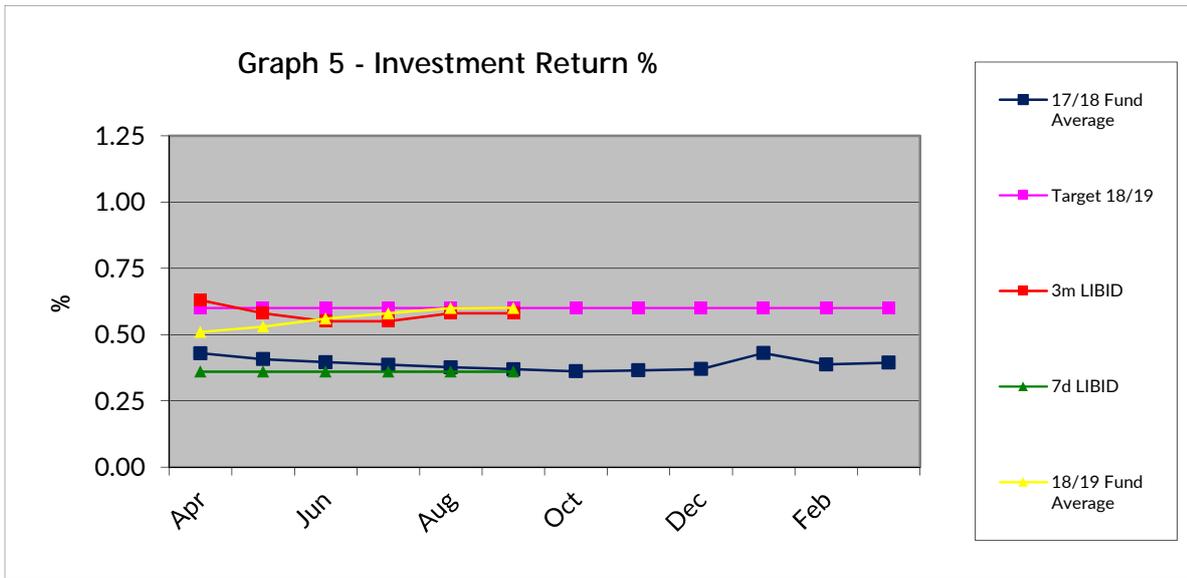


# Agenda Item 12

Finance Advisory Committee Finance Performance Indicators 2018/19  
*as at end September 2018*

Appendix B





This page is intentionally left blank

**Finance Advisory Committee Work Plan 2018/19 (as at 1/11/2018)**

15 November 2018*	29 January 2019	26 March 2019	Summer 2019	Autumn 2019
<p>Treasury Management Mid-Year Update 2018/19</p> <p>Budget 2019/20: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)</p> <p>Financial Performance Indicators 2018/19 - to the end of September 2018</p> <p>Financial Results 2018/19 - to the end of September 2018</p>	<p>Discretionary Rate Relief</p> <p>Risks and Assumptions for Budget 2019/20</p> <p>Treasury Management Strategy 2019/20</p> <p>Capital Programme and Asset Maintenance 2019/20</p> <p>Financial Performance Indicators 2018/19 - to the end of November 2018</p> <p>Financial Results 2018/19 - to the end of November 2018</p> <p>Property Investment Strategy Update</p> <p>Service Update - Finance</p>	<p>Carry Forward Requests 2018/19</p> <p>Financial Performance Indicators 2018/19 - to the end of January 2019</p> <p>Financial Results 2018/19 - to the end of January 2019</p>	<p>Financial Performance Indicators 2018/19- to the end of March 2019</p> <p>Provisional Outturn 2018/19</p>	<p>Treasury Management Annual Report 2017/18</p> <p>Financial Prospects and Budget Strategy 2019/20 Onwards</p> <p>Financial Performance Indicators 2018/19 - to the end of July 2018</p> <p>Financial Results 2018/19 - to the end of July 2018</p>

- Moved from 30 October 2018

This page is intentionally left blank