

09 December 2021 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 01.12.21



The meeting will also be livestreamed to YouTube here https://www.youtube.com/channel/UC1T1f_F5OfvTzxjZk6Zqn6g. Members of the public who wish to attend in person, are requested to wear face masks and observe social distancing procedures. For health and safety reasons access may be limited and will be on a first come first served basis.

Cabinet

Membership:

Chairman, Cllr. Fleming; Vice-Chairman, Cllr. Dickins
Cllrs. McArthur, Dyball, Maskell and Thornton

Agenda

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

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Committee held on 11 November 2021, as a correct record	(Pages 1 - 10)	
2. Declarations of interest Any interests not already registered		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees (if any)		
5. Budget Update 2022/23	(Pages 11 - 52)	Alan Mitchell Tel: 017322 27483
REPORTS ALSO CONSIDERED BY THE CABINET ADVISORY COMMITTEES		
6. Street Naming and Numbering Policy	(Pages 53 - 84)	Amy Wilton Tel: 01732 227280

7. **Community Lottery** (Pages 85 - 118) Jenny Godfrey,
Tel: 01732 227112,
Kelly Webb
Tel: 01732227474




8. **A Local First Homes Policy for Sevenoaks District** (Pages 119 - 128) James Gleave,
Tel: 017322 27326
Sharon Donald
Tel: 01732 227131



9. **Approval to Seek Additional Designation of Parishes/Areas under Section 157(1) of the Housing Act 1985** (Pages 129 - 140) James Gleave,
Tel: 01732227326,
Sharon Donald
Tel: 01732 227131



 Indicates a Key Decision

 indicates a matter to be referred to Council

EXEMPT INFORMATION

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

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

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

CABINET

Minutes of the meeting held on 11 November 2021 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Dickins (Vice Chairman)

Cllrs. McArthur, Dyball, Maskell and Thornton

Cllrs. Osborne-Jackson and Pender were also present.

Cllrs. Grint and Hunter were present via a virtual media platform, which does not constitute attendance as recognised by the Local Government Act 1972.

37. Minutes

Resolved: That the Minutes of the meeting of Cabinet held on 14 October 2021, be agreed and signed by the Chairman as a correct record.

38. Declarations of interest

There were no additional declarations of interest.

39. Questions from Members (maximum 15 minutes)

A Member asked a question about the consultation on the expansion of Gatwick airport. The Chairman explained that the Council had not yet commented, but that affected Ward Members would be consulted before any consultation reply was sent.

40. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees (if any)

There were none.

41. Local Plan Timetable (Local Development Scheme)

The Portfolio Holder for Development & Conservation presented the report which detailed the proposed timetable for the Local Plan, which was also known as the Local Development Scheme (LDS).

The Planning Team Leader (Policy) advised that the timetable would be included within an LDS document, which would also provide details of other relevant documents such as Supplementary Planning Documents (SPDs) and Neighbourhood plans. It was hoped that the plan would be published in winter 2022/23. It was anticipated the plan would be adopted by April 2024.

Public Sector Equality Duty

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

Resolved: That the Local Plan Timetable (LDS), be approved.

42. Infrastructure Funding Statement - Priorities

The Portfolio Holder for Development & Conservation presented the report which looked at the proposed priorities for the Council's new Infrastructure Funding Statement (IFS). Members were advised that the Development & Conservation Advisory Committee had considered the same report and suggested that Cabinet should consider including Edenbridge under priorities for health and social care.

The Planning Policy Team Leader (Infrastructure) advised that local authorities are not bound by the priorities laid out in the IFS but that it would provide transparency to developers and the community as to what the Council's intentions were. The report considered the type of projects and types of infrastructure what was prioritised last year, and looked at what the money had been spent on through Section 106 and CIL over the last few years.

Public Sector Equality Duty

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

Resolved: That

- a) The criteria for prioritising infrastructure projects for funding in the Infrastructure Funding Statement, as set out below, be agreed;
 - The projects fall with the infrastructure types/projects identified in the IFS report.
 - The projects have been identified in our Infrastructure Delivery Plan. (This ensures that the infrastructure prioritised supports the Local Plan).
 - The projects support and are clearly related to proposed or allocated development in the District. They therefore provide a strong link between development and the proposed project.
 - That there is a strong social, environmental or economic justification for the scheme.
 - That projects have not received CIL previously.

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- The scheme has support from infrastructure providers
 - That there is a need or it will be expected to be delivered within the next 5 years.
 - That it is identified as having a critical or high need where the project has to be delivered prior to any development to support it.
 - Where it is likely that the infrastructure project can be delivered within the plan period as there are little or no issues with funding or landownership.
 - Where there is a clear plan as to how the project would be funded; and
- b) the specific projects and types of Infrastructure recommended in paragraphs 28 - 38 of the report, be identified in the Infrastructure Funding Statement as having a priority for full or partial funding, with the inclusion of Edenbridge under priorities under Health and Social Care.

43. Community Infrastructure Levy (CIL) Governance Review

The Portfolio Holder for Development & Conservation presented the report on the annual review of governance arrangements of allocating Community Infrastructure Levy (CIL) funding to local and strategic infrastructure projects across Sevenoaks District.

The Planning Team Leader (Infrastructure) advised that the current governance arrangements had been agreed by Members of the Committee in July 2020. The report looked at what had been implemented and considered the recommendations made by an independent review, as well as any further changes that were required to the process of spending CIL. The Chairman and Vice Chairman of the CIL Spending Board had also been consulted.

The Portfolio Holder advised that the Development & Conservation Advisory had considered the same report and had suggested that the removal of allocating to officers to spend, that the allocation be 15% of the CIL money received be in a financial year, and that the Leader and Portfolio Holder for Development & Conservation agree the spend by a Portfolio Holder Decision, and consulting the Chairman and Vice Chairman of CIL Spending Board before a decision.

The Portfolio Holder advised that, should Cabinet be minded to go with the suggestions from the Advisory Committee, that recommendation b ii) bullet point 8 was amended to read as: That the Portfolio Holder for Development & Conservation agree to the spend, by sign off on a Portfolio Holder Decision Sheet, following consultation with the: Leader, Chairman, and Vice Chairman of CIL Spending Board.

Public Sector Equality Duty

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

Resolved: That

- a) the following approach as detailed within the report and as (i) to (v), below be agreed:
 - i. Whilst the results of the assessment are good overall as we are seen as being a well-managed and integrated authority, it is important for us to consider if there are any ways to improve.
 - ii. One of the main suggestions is to look at predicting our CIL income. As officers, our recommendation in the past had been that we do not predict our CIL income as there was no guarantee and it is difficult to predict. This had been because not all permissions that have been served a Liability Notice would be implemented and also as we have no control over when development commences. Predicting CIL could cause us problems or unnecessarily raise hopes. If we allocate funds based on our prediction and less CIL actually comes in, it could also lead to disappointment and projects could miss out. As currently nothing relies on our CIL income and the meeting of the CIL Spending Board was flexible and was based on how much CIL actually comes in, it was suggested that there was no need to predict our CIL income and that we set up a CIL Spending Board only when we had sufficient CIL income to do so.
 - iii. It has also been suggested that we adopt a structured engagement plan to set out formally how we engage with stakeholders. Whilst this could be positive as we could formally set out ways in which we interact and when, it could also be beneficial to leave this flexible so we can interact and agree outcomes as and when needed.
 - iv. It's not considered that there was a need to set up an officer's working group as the CIL Spending Board was set up to distribute CIL funds and the DCAC and Cabinet oversee the Governance of this. It was considered that this was appropriate and a working group was not required.
 - v. In regard to the focus of our IDP, it would be possible to make this more of a delivery document, to look to update this regularly and also to ensure that it links into our IFS. It is important to have a clear structure to this process to ensure that all parties were included and to ensure that this links to our more strategic aims. As we were looking at the IDP and IFS again, in relation to a revised Local Plan, this was the perfect time to consider how this could be done more

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effectively. As a team were looking at this, it was considered that we can look at a better and more efficient way of dealing with this but no details had been decided yet. It was requested that this aspect be allocated to officers to consider a way forward.

- b) the changes to CIL Spending as detailed as (i) to (iii) below, be agreed:
- i. As the percentage for admin and Parish and Town Council's had already been agreed, it was suggested by officers that out of the 70% allocated to the CIL Spending Board to spend, that 15% percent be set aside to spend outside of the CIL Spending Board process.
 - ii. It was still appropriate for the majority of the spending to be allocated through the CIL Spending Board. It be suggested that 15% of the CIL Spending Board money was allocated to spend on projects outside of the CIL Spending Board process and that funding could only be allocated in the following circumstances:
 - The project was for infrastructure
 - The request was submitted in writing
 - The project was for one of the priorities laid out in the Council's IFS.
 - A clear need was shown for this project and it provided a clear community benefit.
 - It was part of an existing strategy or plan.
 - That the project has sought to maximise funding from other resources.
 - It was within a financial year
 - Portfolio Holder for Development & Conservation agree to the spend, by sign off on a Portfolio Holder Decision sheet, following consultation with the: Leader, Chairman and Vice Chairman of CIL Spending Board.
 - iii. It was considered that this would enable Sevenoaks District Council to contribute to much needed infrastructure projects that otherwise would go without the benefit of CIL monies or may never be implemented. There was no time limit on when this money could be spent and provided the projects would meet the criteria above it would be at officer's discretion. It was only a small percentage of the CIL funds and

would enable SDC to be more flexible with the allocation of CIL and be able to help projects that are in line with our priorities.

- c) the amendments to Appendix X1 of the Constitution, as set out in Appendices A, B, C, D and E to the report, be agreed.

44. Christmas Parking 2021

The Portfolio Holder for Cleaner & Greener Advisory Committee presented the report which proposed free parking in Sevenoaks Town and Westerham on the two weekends leading up to Christmas in December 2021.

The Head of Direct Services set out that vehicles would still be required to observe a maximum parking time and regular monitoring would take place to ensure this is complied with. The maximum stay in Blighs Car Park on the two weekends would also be reduced from 4 hours to 3 hours. The cost in terms of the loss of income would be met from supplementary estimates.

Public Sector Equality Duty

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

Resolved: That

- a) The proposal for free parking in Sevenoaks Town and Westerham off-street carparks on Saturday 11 December 2021, Sunday 12 December 2021, Saturday 18 December 2021 and Sunday 19 December 2021, be agreed; and
- b) It be recommended to Council that the cost in terms of loss of income for free parking be met from Supplementary Estimates.

45. Treasury Management Mid-Year Update 2021/22

The Portfolio Holder for Finance & Investment presented the report which sought approval of the Treasury Management Annual report 2021/22. The report detailed treasury activity in the first half of the current financial year, recent developments in the financial markets. It also detailed the current position and possible future investment opportunities such as Multi-Asset Income Funds (MAIF) that could be invested in.

The Portfolio Holder advised that Finance & Investment Advisory Committee had considered the same report and recommended it for approval, and had made comments regarding the MAIF approach.

The MAIF approach was discussed and Cabinet agreed with the following comments made by the Finance & Investment Advisory Committee:

- i) Supportive in principle of investing in MAIF;
- ii) Now was the right time to be making investments;

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- iii) £5million be the initial investment; and
- iv) The investment be initially for a 5 year period.

Public Sector Equality Duty

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

Resolved: That

- a) treasury Management Annual Report for 2021/22, be approved; and
- b) investment in Multi-Asset Funds be commended in line with the approach laid out in Appendix C.

46. Financial Results 2021/22 to the end of September 2021

The Portfolio Holder Finance & Investment presented the report on the Council's financial results to the end of September 2021, which showed the year-end position was currently forecast to be unfavourable variance of £95,000 against the Council's net service expenditure budget totalling of £17.015m.

The Head of Finance advised that initial figures to the end of October 2021 show that the forecast has improved to an unfavourable position of £26,000.

The Portfolio Holder advised that the Finance & Investment Advisory Committee had noted the same report.

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.

47. Mid Year Appointment to Other Organisations 2021/22

The Leader presented the report which sought approval for an official substitute for Parking and Traffic Regulations outside London Joint Committee (PATROL) for 2021/22.

Public Sector Equality Duty

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

Resolved: That Cllr Carroll be appointed as the as the official substitute for Parking and Traffic Regulations outside London Joint Committee (PATROL) for 2021/22.

48. Quercus Housing - Increasing the Delivery of Affordable Housing in the Sevenoaks District

Members considered the report which set out Quercus Housing Guarantor Board's recent approval to amend The Quercus Housing Business Plan to enable prudential borrowing, which would enable Quercus Housing to take forward the purchase of Abbey Court in West Kingsdown for affordable rent accommodation.

The Deputy Chief Executive and Chief Officer - Finance & Trading set out that the report also sought the approval for the revised 2021/22 Capital Programme, which excluded the Property Investment Strategy Scheme and would give the Council access to Public Works Loan Board (PWLB) borrowing to enable the scheme to progress. A draw-down of a loan from prudential borrowing for up to £1,050,000 would be loaned to Quercus Housing in order to progress the capital purchase and refurbishment of Abbey Court, subject to due diligence. In turn this would increase the supply of new affordable homes delivered by Quercus Housing, the Council's affordable housing trading company.

Negotiations were taking place to purchase the former nursing home which could be converted into self-contained units at affordable rent, and be split between Local Housing Allowance and 80% of market rent. The Council's Housing team would use Abbey Court to provide suitable move on accommodation at affordable rent for households currently placed in temporary accommodation, whilst developing its Local Lettings Plan.

An offer of £700,000 to purchase the property had been submitted to the agent, with the estimated cost of refurbishment being £875,000 plus contingency fees. Currently there was insufficient s106 funding to support the refurbishment of the property, and so the draw-down of a loan from the PWLB was vital.

Members were advised that there remained a shortfall between the demand and supply of new affordable homes in the District. The lack of affordable housing had contributed to the rise of homelessness and, as the Council had a statutory responsibility to assist homeless residents that had created a greater financial burden upon the budget. The high cost of land in the District made it difficult for the Council's Registered Provider (RP) partner's to acquire land for building new affordable housing themselves.

The Deputy Chief Executive and Chief Officer - Finance and Trading advised that previously Councils were able to access PWLB funding but in the last year the rules and guidance had changed. These changes were due to the Government wanting to stop Council's investing for yield, such as our Property Investment Strategy (PIS) which was set up to deliver income from property to replace the lost Government funding.

As it stood at the moment, the Council could no longer borrow for the Property Investment Strategy and if the PIS remained in the capital programme, the Council would also be unable to borrow for any other purpose such as the scheme set out in the report.

The revised Capital Programme at Appendix C removes the Property Investment Strategy, opening up access to PWLB borrowing for the scheme.

Public Sector Equality Duty

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

Resolved: That it be recommended to Council that

- a) The revised 2021/22 Capital Programme (Appendix C of the report) that excluded the Property Investment Strategy scheme, that would give SDC access to Public Works Loan Board (PWLB) borrowing to enable the scheme to progress, be approved;
- b) The draw-down of a loan from prudential borrowing (for example, through PWLB) for up to £1,050,000 which would then be loaned to Quercus Housing (as the Trading company) to progress the capital purchase and refurbishment of Abbey Court (West Kingsdown), subject to due diligence, to support the delivery of affordable housing in the district, be approved; and
- c) The terms of the loan be determined at the point of draw down by the Head of Finance be agreed.

IMPLEMENTATION OF DECISIONS

This notice was published on 12 November 2021. The decisions contained in Minute 43, 45, 46 and 47 take effect immediately. The decisions contained in Minute 41 and 42 take effect on 22 November 2021. The decisions contained in Minutes 44 and 48 are references to Council.

THE MEETING WAS CONCLUDED AT 7.50 PM

CHAIRMAN

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BUDGET UPDATE 2022/23

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Report of: Deputy Chief Executive and Chief Officer - Finance and Trading

Status: For Decision

Key Decision: No

Executive Summary:

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

This report sets out progress made in preparing the 2022/23 budget and updates Members on key financial information.

Included in the last report was an assumption that £100,000 of net savings /additional income per annum were included for this budget cycle. The SCIA's listed in Appendix D show that growth proposals exceed savings which if accepted by Cabinet would result in an updated budget gap of £157,000. Therefore, savings of £157,000 per annum will still be required to produce a balanced 10-year budget.

There are however still some uncertainties as the Provisional Local Government Finance Settlement is not expected to be announced until later this month. This may include changes to the current assumptions such as increasing the Council Tax referendum limit and funding to offset the 1.5% National Insurance levy.

The Cabinet will make its final recommendation on the budget at its meeting on 10 February 2022, after taking into account any updated information available at that date.

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer(s): Adrian Rowbotham, Ext. 7153

Alan Mitchell. Ext. 7483

Recommendation to Cabinet:

- (a) Consider and respond to comments and recommendations of the Advisory Committees regarding the growth and savings/additional income proposals (SCIAs) listed in Appendix D and detailed in Appendix E.
- (b) Look at the further growth and savings/additional income suggestions put forward by the Advisory Committees listed in Appendix F and decide one of the following options for each suggestion:
 - (i) Consider within this budget cycle and ask for SCIAs to be presented to Cabinet in January.
 - (ii) Ask that the Portfolio Holder has further discussions with the Chief Officer.
 - (iii) Do not take any further.
- (c) Request that officers identify further savings options to be included in the Budget Update report to Cabinet on 13 January 2022.

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 continues to aim for long-term financial health and continues to work towards improving financial sustainability. It has been successful through the use of a number of actions 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.
 - 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.
- 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 immediate 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 having ceased from 2017/18 it is important that the council remains financially self-sufficient by having 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.
 - generating more income.
- 6 At the Cabinet meeting on 16 September 2021, Members considered a report setting out the Council's financial prospects for 2022/23 and beyond. That report set out the major financial pressures the Council is likely to face, together with a proposed strategy for setting a balanced and sustainable budget for 2022/23 and beyond.
- 7 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between September and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which will be considered at this meeting.
- 8 The financial future for councils will remain challenging as highlighted in the Institute for Fiscal Studies (IFS) 'What's Happened and What's Next for Councils?' document published in October. It included the following highlights:
 - Government funding during 2020-21 exceeded councils estimated in-year covid pressures, however the partial compensation for lost income means shire districts in particular were 'under-compensated'.
 - Shire district councils on average faced forecast financial pressures of £46 per person, and received government support of only £34, leaving them with a shortfall of £12 per person. This 'unfunded pressure' reflects high reliance on Sales Fees and Charges, especially from

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parking and culture & leisure facilities, and is equivalent to 6.6% of average pre-COVID budgets.

- The pandemic's impact is likely to be felt for the next few years in terms of spending and income-generating capacity, while underlying growth in service demands and costs continues, suggesting above-inflation rises in council tax will be needed to maintain service levels and quality.

Financial Strategy

- 9 In order to maintain a viable Council that continues to deliver on its main priorities and the services it provides to its residents, the Council continues to adopt a Financial Strategy that embraces the following principles:
 - Remain financially self-sufficient.
 - Be clear about the Council's future financial prospects, with a ten-year budget as an integral part.
 - Ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting.
 - Make effective use of reserves and capital receipts.
 - Manage our money carefully, monitor monthly and constantly strive for better value from our spending.
- 10 A two-page summary of the Financial Strategy can be found at **Appendix G**.
- 11 An audit of the 10-year budget process has recently been completed by Mazars (working for Internal Audit) and their findings were that the Council has adequate, effective and reliable controls in place over budget setting and long-term financial planning.

Financial Self-Sufficiency

- 12 The Council's Corporate Plan 2013-2018 set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. The current Council Plan aims to continue with this approach. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 13 This approach was adopted in response to the financial challenges the Country was faced with in bringing its public spending down to ensure it was able to live within its means. In practice this has seen Government funding to local authorities dramatically reduced since 2010/11 with Sevenoaks District Council receiving no Revenue Support Grant from 2017/18.
- 14 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.

- 15 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Association's 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'. A further Peer Challenge has recently been completed and the outcome will be provided to Members when known.
- 16 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus. Any funding received from these sources will be put into the Financial Plan Reserve which can be used to support the 10-year budget.
- 17 Cabinet are keen to remain financially self-sufficient which has served the Council well and ensured it is one of the most financially stable local authorities in the country. In the 2020/21 budget, a new target was set to replace reliance on Business Rates income over the coming years. However, due to the impact of Covid-19 and the greater uncertainty as Government funding reviews have been deferred, this was not addressed during the 2021/22 budget process but remains a future aim. This ambition will allow the Council to move ahead in the knowledge that it has the financial resources to provide the services that the district's residents need into the future.

Updates to the Financial Prospects Report

- 18 The following sections provide the latest information on the major income and expenditure streams together with details of the assumptions included in the attached 10-year budget.
- 19 The Government announced its Budget and Spending Review on 27 October 2021 which provided some high-level updates. Further details should be included in the Provisional Local Government Finance Settlement which is due to be announced in December.

Covid-19 Financial Impact

- 20 A number of Covid-19 related financial adjustments were made in the last budget cycle relating to both reduced income and increased expenditure. No changes to those assumptions have been made in this report but they will continue to be monitored throughout this budget process.

Income

- 21 **Government Support: Revenue Support Grant (RSG)** (£nil received in 2021/22) - This formula-based grant has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council has not received any RSG from 2017/18 to date and is not expected to receive any in future years. The attached 10-year budget assumes no RSG, if any amounts are received in future years, they will be put into the Financial

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Plan Reserve to support the 10-year budget including ‘invest to save’ initiatives and support for the Property Investment Strategy.

- 22 Negative RSG (i.e. where councils pay government) has previously been proposed by government. It has not been implemented but remains a threat going forward.
- 23 **New Homes Bonus (NHB)** (£1.16m received in 2021/22 but not used to fund the revenue budget) - the Government started this new funding stream in 2011/12 from funds top sliced from RSG with the intention that local authorities would be rewarded for new homes being built over a six-year period. The basis of NHB was changed with effect from 2017/18. Previously it was based on cumulative figures for 6 years, but this was reduced to 5 years from 2017/18 and 4 years from 2018/19. In addition, NHB is only received on tax base growth above 0.4% instead of on all growth (known as the deadweight).
- 24 It is likely that NHB will soon be replaced by a different method to incentivise housing growth.
- 25 **Council Tax** (£11.4m) - The Government referendum limit has initially been set at 2% in recent years although it has been changed later in the process. In 2021/22 the referendum limit was increased to the higher of 2% or £5 for a Band D property (2.3% for SDC). Council agreed to increase Council Tax by 2.3% in 2021/22 with the excess above 2% put into the ‘Net Zero Transition Fund’.
- 26 The Spending Review included an announcement that the referendum limit for 2022/23 would be 2% but it is possible that it could be changed to the higher of 2% or £5 for a Band D property once again. The assumption currently included in the 10-year budget is a 2% increase in all years.
- 27 If the same referendum limits as 2021/22 are set for 2022/23, the following increase would be possible:

2022/23 Council Tax	Current Assumption	Potential Assumption
% increase	2.00%	2.2%
£ increase (Band D pa)	£4.50	£4.95
£ (Band D pa)	£229.41	£229.86

- 28 Due to the uncertainty of future Council Tax increase referendum limits, if maximum increases are not taken there will be an ongoing detrimental impact on the ability to increase Council Tax in future years.
- 29 The tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing change in the number of Council Tax discounts awarded. The assumption

going forward is an increase of 730 Band D equivalent properties per annum from 2022/23, 580 per annum from 2025/26 and 480 per annum from 2027/28. The increased tax base results in additional Council Tax income which is assumed to be greater than the incremental cost of servicing the additional properties although it should be recognised that there are likely to be step changes in costs for some services in the future such as refuse collection. The Local Plan will also affect future tax base assumptions.

- 30 **Business Rates Retention** (£2.2m) - The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received. However, tariffs and top ups are applied to ensure that the funding received by each local authority is not significantly different to pre 2013/14 amounts. This council is due to collect £39m of Business Rates in 2021/22.
- 31 A Business Rates Pool operates in Kent and Medway which generally results in councils retaining more Business Rates than if they were not in the pool. This council and Dover Borough Council were not part of the pool in previous years, but it has been agreed that Sevenoaks and Dover will benefit as if they were in the pool going forward. A request has been made to Government to continue with the same arrangement in 2022/23.
- 32 Due to the uncertain impact of Covid-19 on local businesses, the large number of business rates appeals being outstanding with the Valuation Office Agency (VOA) and the limited opportunities to increase the number of businesses in the district, the assumption in the 10-year budget remains at the safety-net level, which is the amount of business rates the council is assured of retaining in the current scheme if it were not in a pool.
- 33 Any increased Business Rates retained in 2022/23 due to being linked to the Kent and Medway Pool will be transferred to the Budget Stabilisation Reserve.
- 34 As the difference between Business Rates baseline and actual Business Rates collected diverges over time, a 'reset' is required after a period, to more closely align these. When Business Rates Retention was introduced in 2013/14, it was indicated that there would be a reset in 2020 however, this has been delayed several times. The Secretary of State for Housing, Communities and Local Government has recently suggested that the approach to distributing Business Rates will be re-visited to help support the Government's 'Levelling Up Agenda'.
- 35 Any change could significantly alter the distribution of Business Rates and it is hoped that transitional arrangements would be included so that any financial impact is minimised in the short term but there remains a risk that this council may no longer retain any Business Rates in the future. This would result in a funding gap that would need to be replaced by additional income or further savings.

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- 36 **Interest receipts** (£0.2m) - returns are continuing to be significantly lower than they were a few years ago due to low interest rates and the Council's Investment Strategy taking a low-risk approach.
- 37 Although investments with external bodies continue to be low, it should be noted that funds lent to Quercus 7 are at rates of over 4.5%. However, this income is reported under Property Investment Strategy income rather than Interest Receipts.
- 38 The interest receipts assumptions are currently £188,000 for all years. Members have recently supported taking a less low-risk approach by making an investment in Multi-Asset Income Funds which it is hoped would enable the Council to once again achieve interest receipts at the budgeted level.
- 39 The Bank of England Base Rate is currently 0.1%. Assumptions will continue to be reviewed based on advice from our treasury advisors and discussions with the Finance and Investment Advisory Committee during the budget process.
- 40 **Property Investment Strategy** - The strategy was approved by Council on 22 July 2014 with the intention of building on an approach of property-based investment in order to deliver increased revenue income. This was set against a background of reducing Government Support and continued low rates of return through existing treasury management arrangements.
- 41 Six assets have been purchased or built to date, including the Premier Inn Hotel in Sevenoaks, at a cost of £25m. The annual income yields for completed schemes range from 5.9% to 9.6%.
- 42 A total of £50m had been approved by Council to be spent on the Property Investment Strategy. As well as the £25m above, £10m has been spent by Quercus 7 Ltd on five assets.
- Property Investment Strategy income assumptions:
- | | |
|-------------------|-------------------|
| 2022/23 | £1.508m |
| 2023/24 - 2025/26 | £1.558m per annum |
| 2026/27 - 2028/29 | £1.655m per annum |
| 2029/30 - 2031/32 | £1.696m per annum |
- 43 Members should be aware that the Government and CIPFA are continuing to implement ways to limit Council's ability to make commercial property investments. This is currently limiting and may even stop council's ability to borrow for investments made purely for yield which is what the Property Investment Strategy has been set up to do.
- 44 To enable other capital schemes to progress, the Property Investment Strategy has been removed from the current capital programme as agreed by Council on 16 November 2021. Therefore, currently no further investments within the strategy are able to take place.

- 45 A Property Investment Strategy Update report will be presented to Finance Advisory Committee in January and Cabinet on 10 February 2022.
- 46 **Variable fees and charges** - the Council receives income in fees and charges from a number of sources.
- 47 The assumption is currently for a 2.5% increase for all years except for off-street car parking which is 3.5% for five years (2019/20 - 2023/24). The additional 1% for car parking is one of the funding streams for the development of Sevenoaks Town (formerly Buckhurst 2) Car Park as agreed by Council on 22 November 2016.
- 48 It should also be noted that the car parking income budget for 2021/22 was not increased and it was agreed that the assumed inflation would be deferred until 2022/23.
- 49 **External Funding** - the Council has been very successful in securing external funding across a number of services, based on it delivering a wide range of innovative services to local residents, often in partnership with other agencies. The Council's officers continue to seek new opportunities for funding. As financial constraints are put on public services the funding available may reduce.
- 50 **Shared working** - Various services have included savings from shared working in recent years budgets. The Council successfully works in partnership with other authorities in a number of areas, including Revenues, Benefits, Internal Audit, Counter Fraud, Finance, Licensing, Civil Enforcement (Parking) and CCTV.
- 51 The largest savings were achieved when each shared service started, some of which were in 2010. The viability of continuing to share these services is reviewed on a regular basis to ensure that this Council receives value for money and the service standards it requires.
- 52 **Use of reserves** - One of the principles of the Financial Strategy is to make more effective use of the remaining earmarked reserves. When this strategy was first used in 2011/12, it was agreed that the remaining balances in the Asset Maintenance and Superannuation Fund Deficit Reserves would be moved to a new Financial Plan Reserve and used over the initial 10-year budget period. The Budget Stabilisation Reserve was also set up at the same time to manage the fluctuations between years to ensure that an overall balanced budget remained for the 10-year period. This reserve has been increased by surpluses achieved on the revenue budget in recent years.
- 53 A review of the reserves held is carried out each year as part of the budget process and that will take place again this year.
- 54 When the budget is set, the balance in the Budget Stabilisation Reserve must be sufficient to support the 10-year budget.

Agenda Item 5

Expenditure

- 55 **Pay** costs total £17m. Discussions between the National Employers for Local Government Services and the unions regarding the national pay award for 2021/22 are ongoing. The latest offer is a 1.75% increase which is 0.25% below the 2% assumption included in the budget approved by Council in February. However, the unions have not accepted this offer. Discussions regarding the pay award for 2022/23 have not yet commenced.
- 56 The assumption in the attached 10-year budget is a 2% increase in all years.
- 57 Members previously agreed that a budget would be set aside to address any recruitment and retention difficulties or challenges that arise going forward. This remains in place and will be used as required.
- 58 In September the Government announced that it will introduce a 1.25% Health and Social Care Levy based on National Insurance Contributions from 1 April 2022. This will impact the Council's staff costs by around £100,000 per annum as well as those of its contractors. The Government has stated that they will provide funding to offset this additional cost for Councils, but it is not yet known how this will work and if it will fully offset the cost.
- 59 **Superannuation fund** - the latest pension fund triennial valuation, which was the fourth by the actuaries Barnett Waddingham, took place in 2019.
- 60 The funding level has increased from 75.5% to 86.6% since the previous valuation in 2016 and the deficit recovery period for the fund has reduced from 17 years to 13 years. The 10-year budget includes the contribution amounts set by the actuaries for 2020/21 to 2022/23 and includes an additional £100,000 from 2023/24 when the next triennial valuation will come into effect and an additional £50,000 from 2026/27 for the following valuation.
- 61 **Non-pay costs** - The budget assumes non-pay costs will increase by an average of 2.25% in all years. In practice, items such as rates and energy costs often rise at a higher rate, so other non-pay items have been allowed a much lower inflation increase. Inflation is currently at 4.2% (CPI) and 6% RPI (as at October 2021). Bank of England economists have suggested inflation may reach 5% early in 2022, before it begins to reduce towards the 2% inflation target during the second half of the year.
- 62 **Asset Maintenance** - Any asset maintenance expenditure is funded by the revenue budget each year. Asset maintenance expenditure can fluctuate as the demand for programmed and ad hoc work varies across sites. A detailed review of the asset maintenance requirements for council owned properties was carried out in 2018/19. The asset maintenance budgets were reviewed again last year which resulted in the average yearly liability covered by the budget being 64%.
- 63 **Annual Savings** - an annual Net Savings/Additional Income assumption of £100,000 is included for all years in the 10-year budget.

- 64 **Unavoidable service pressures** - One of the lessons to be learnt from previous financial strategies is that there is always a likelihood of unavoidable service pressures and there needs to be a clear strategy for dealing with these. These are identified in the Service Change Impact Assessments (SCIAs) that can be reported to the Advisory Committees between September and November or to Cabinet in later budget reports.
- 65 These additional service pressures will, where possible, be absorbed within existing budgets. However, there is some likelihood that some pressures will be difficult to absorb, and Members will need to give these consideration as part of the budget process. However, it should be recognised that by having a 10-year budget there is greater scope to deal with these pressures and therefore have less impact on current services whereas other councils who only have single year budgets would have to make larger immediate savings.
- 66 **Progress on the savings plan** - 2022/23 will be the twelfth year of using the 10-year budget. During this period, 189 savings/additional income items have been identified totalling £7.7m. The majority of these savings/additional income items have already been achieved and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.
- 67 **Changes since the 10-year budget started** - The table below shows how the Net Service Expenditure has changed since 2010/11. This shows that the budget has reduced by £4m (24%) in real terms.

Net Service Expenditure	£000
2010/11 (budget)	16,711
2021/22 (2010/11 budget +2% inflation per year)	20,778
2021/22 (budget)	16,783
Difference	3,995

- 68 **Appendix C** sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12. This has allowed the Council to deliver a 10-year balanced budget.
- 69 Savings proposals were presented to the Advisory Committees between September and November. These proposals are listed in **Appendix D** and further details supporting each proposal are contained in the Service Change Impact Assessments (SCIAs) in **Appendix E**.

Agenda Item 5

Feedback from the Advisory Committees

- 70 To assist the Advisory Committees in making additional suggestions for growth or savings for Cabinet to consider, Members were given a Service Dashboard and budget details for the services within their terms of reference.
- 71 Each Committee then decided which suggestions would be passed to Cabinet.
- 72 Provided at **Appendix F** is a list of the growth and savings suggestions from the Advisory Committees.
- 73 Members have previously been provided with training on the budget process. If Members require any further training or require any additional details on the content of the budget reports and appendices, they have been advised to contact Adrian Rowbotham or Alan Mitchell.

Current 10-year Budget Position

- 74 The 10-year budget set out in **Appendix B** does not include any changes to assumptions from the version agreed by Council on 23 February 2021.
- 75 The 10-year budget includes an assumption that £100,000 of new net savings will be achieved. The current growth and savings proposals are listed in **Appendix D** and a Service Change Impact Assessment (SCIA) for each proposal is included in **Appendix E**.
- 76 If all of the proposed SCIA's are agreed, a further £157,000 of savings / additional income is required to achieve a balanced 10-year budget position.

10-Year Budget if SCIA's agreed (total changes for the 10-year period)	£000
Total 10-year budget change gap/(surplus)	-
Net savings assumption	1,000
SCIA's proposed:	
Savings	(450)
Growth	1,016
Total 10-year budget change gap/(surplus)	1,566
	i.e. £157,000 per annum

- 77 The further suggestions made by the Advisory Committees are listed at **Appendix F**. Service Change Impact Assessments (SCIA's) will be produced

for any of these suggestions that Cabinet wish to support and will be included in the Budget Update report to Cabinet on 13 January 2022.

- 78 The Cabinet will make its final recommendation on the 2022/23 budget at its meeting on 10 February 2022, after taking account of the latest information available at that date.
- 79 When looking at prospects for year 11 onwards, there is still likely to be a need to take further actions as these years come into the rolling 10-year period.

Collection Fund and Tax Base

- 80 The 2022/23 tax base will be presented at Cabinet on 13 January 2022. At the same time, Members will be presented with an estimate of the Collection Fund balance as at 31 March 2022.

Capital

- 81 A separate report on the capital programme will be presented later in the budget process recommending future capital schemes and changes to ongoing schemes.

2021/22 Outturn

- 82 Supported by the Finance and Investment Advisory Committee, tight financial monitoring and control has been in place for a number of years and again for 2021/22. Given the constraints being placed on all budgets, and the savings planned, it will be essential to continue on this basis.
- 83 The latest 2021/22 monitoring report shows an unfavourable forecast position of £26,000 against a net revenue budget of £17.015m.

Consultation

- 84 A resident survey was carried out during September 2021.
- 85 Residents were asked if they agreed with the following Council budget priorities:
- The Council should continue to generate income to help pay for the services it provides to residents - 87% agreed.
 - The Council should continue to change and improve the way it provides services to make them more efficient - 96% agreed.
 - The Council should always look to make savings from the back office and bureaucracy so it can continue to invest in services used by the public - 93% agreed.

Agenda Item 5

- 86 These views from our resident's indicate support for the Council's financial strategy and steps it is taking to deliver long-term financial health through our 10-year balanced budget.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

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

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

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

The risks associated with the 10-year budget approach include uncertainty around the level of shortfall and the timing of key announcements such as future changes to Business Rates Retention. The risk will be mitigated by continuing to review assumptions and estimates, remaining financially self-sufficient and by updating Members throughout the process.

Equality Assessment

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

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

Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030.

Individual net zero implication assessments have been completed for all Service Change Impact Assessments (SCIAs).

Conclusions

The Financial Strategy and 10-year budget process have 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. They have also helped to ensure that the Council is well placed in dealing with more immediate and longer-term challenges.

By becoming financially self-sufficient at an early stage, this Council has become much more in control of its own destiny.

The attached 10-year budget shows that this Council is aiming to 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 challenge for a Council that already provides value for money services to a high standard; and ensuring that these proposals lead to an achievable 10-year budget, Members will need to consider the impact on service quality, staff and well-being.

Agenda Item 5

Appendices

Appendix A - Budget Timetable

Appendix B - 10-year Budget

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

Appendix D - New savings proposals presented to the Advisory Committees

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

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

Appendix G - Financial Strategy

Background Papers

Report to Cabinet 16 September 2021 - Financial Prospects and Budget Strategy 2022/23 and Beyond

Report to Housing and Health Advisory Committee 28 September 2021, People and Places Advisory Committee 6 October 2021, Improvement and Innovation Advisory Committee 7 October 2021, Cleaner and Greener advisory Committee 12 October 2021, Development and Conservation Advisory Committee 19 October 2021, Finance and Investment Advisory Committee 4 November 2021 - Budget 2022/23: Service Dashboards and Service Change Impact Assessments (SCIAs)

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

2022/23 Budget Setting Timetable

Stage 1: Financial Prospects and Budget Strategy 2022/23 and Beyond

7 September - Finance & Investment AC

16 September - Cabinet

Stage 2: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

28 September - Housing and Health AC

6 October - People & Places AC

7 October - Improvement & Innovation AC

12 October - Cleaner & Greener AC

19 October - Development & Conservation AC

4 November - Finance & Investment AC

Stage 3: Budget Update (incl. Service Change Impact Assessments (SCIAs), feedback from Advisory Committees)

9 December - Cabinet

Stage 4: Budget Update (incl. Government Settlement information)

13 January - Cabinet

Stage 5: Budget Update and further review of Service Change Impact Assessments (if required)

January to February - Advisory Committees

Stage 6: Budget Setting Meeting (Recommendations to Council)

10 February - Cabinet

Stage 7: Budget Setting Meeting (incl. Council Tax setting)

22 February - Council

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

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	Budget 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	15,581	16,879	16,633	16,967	17,171	17,380	17,643	18,173	18,712	19,258	19,813
Inflation	616	496	503	509	515	522	529	539	547	556	565
Superannuation Fund deficit	0	0	100	0	0	50	0	0	0	0	0
Net growth/(savings) (approved in previous yrs)	682	(642)	(169)	(206)	(206)	(209)	1	0	(1)	(1)	0
New growth	0	0	0	0	0	0	100	100	100	100	100
New savings/Income	0	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	16,879	16,633	16,967	17,171	17,380	17,643	18,173	18,712	19,258	19,813	20,378
Financing Sources											
Govt Support: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
: Lower Tier Services Grant	(98)										
: Local Council Tax Support (LCTS)	(245)										
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(11,443)	(11,836)	(12,366)	(12,786)	(13,182)	(13,589)	(13,982)	(14,384)	(14,798)	(15,222)	(15,657)
Business Rates Retention	(2,182)	(2,226)	(2,271)	(2,316)	(2,362)	(2,409)	(2,457)	(2,506)	(2,556)	(2,607)	(2,659)
Collection Fund Deficit/(Surplus)	17	17	17	0	0	0	0	0	0	0	0
Interest Receipts	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)
Property Investment Strategy Income	(1,468)	(1,508)	(1,558)	(1,558)	(1,558)	(1,655)	(1,655)	(1,655)	(1,696)	(1,696)	(1,696)
Contributions to/(from) Reserves	(337)	(146)	(130)	(572)	226	241	255	271	285	185	148
Total Financing	(15,944)	(15,887)	(16,496)	(17,420)	(17,064)	(17,600)	(18,027)	(18,462)	(18,953)	(19,528)	(20,052)
Budget Gap (surplus)/deficit	935	746	471	(250)	316	43	146	250	305	285	326
Contribution to/(from) Stabilisation Reserve	(935)	(746)	(471)	250	(316)	(43)	(146)	(250)	(305)	(285)	(326)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

Assumptions	
Revenue Support Grant:	nil all years
Business Rates Retention:	Business Rates Retention safety-net plus 2% per year
Council Tax:	2% in all years
Council Tax Base:	Increase of 730 Band D equivalent properties p.a. from 22/23, 580 p.a. from 25/26, 480 p.a. from 27/28
Interest Receipts:	£188,000 in all years
Property Investment Strategy:	£1.508m in 22/23, £1.558m from 23/24, £1.655m from 26/27, £1.696m from 29/30
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 an average of 3.5% per annum from 19/20 - 23/24. Note 21/22 Car Parking inflation deferred for one year

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SCIA Year	No.	Description	2011/12 - 2021/22 £000	2022/23 £000	Later Years £000	Total £000
		Cleaner and Greener Advisory Committee				
2021/22	2	Car Parking income inflation 21/22: deferred for one year (reversal of temporary growth item)		(118)		
2021/22	10	Direct Services: new commercial services		(100)		
		Development and Conservation Advisory Committee				
		No savings or growth agreed from 2022/23 onwards				
		Finance and Investment Advisory Committee				
2021/22	13	Property Investment Strategy: Tenant in administration (reversal of temporary growth item)		(96)		
2021/22	17	Internal Audit: ongoing impact of 2019 staff restructure		(8)		
2020/21	10	Insurance contract renewal (reversal of temporary savings item)			87	
		Housing and Health Advisory Committee				
		No savings or growth agreed from 2022/23 onwards				
		Improvement and Innovation Advisory Committee				
2021/22	22	Review efficiency of partnerships		(100)		
2020/21	1	Apprenticeship Levy (reversal of temporary growth item)			(50)	
		People and Places Advisory Committee				
		No savings or growth agreed from 2022/23 onwards				
		Minor movements between years				
		Total Savings/additional income	(8,192)	(208)	87	(8,313)
		Total Growth	2,677	(214)	(50)	2,413
		Net Savings	(5,515)	(422)	37	(5,900)

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New Growth and Savings Proposals: Presented to the Advisory Committees

SCIA	Year	Advisory Committee No.	Description	Year	Ongoing	2020/21 Impact £000	10-year Budget Impact £000
Growth							
2022/23	1	HHAC	Homelessness	2022/23	2 yrs	300	600
2022/23	5	IIAC	Finance IT system - increase in licence costs and need for maintenance and development	2022/23	Yes	20	200
2022/23	6	CGAC	Enforcement Investigation Software	2022/23	Yes	20	200
2022/23	7	FIAC	Internal Audit: Audit software upgrade	2022/23	No	16	16
Sub Total						356	1,016

SCIA	Year	Advisory Committee No.	Description	Year	Ongoing	2020/21 Impact £000	10-year Budget Impact £000
Savings							
2022/23	2	HHAC	Temporary accommodation placement charge	2022/23	Yes	(36)	(360)
2022/23	3	HHAC	Rent income	2022/23	Yes	(7)	(70)
2022/23	4	HHAC	Site licence monitoring income	2022/23	Yes	(2)	(20)
Sub Total						(45)	(450)
Net Growth / (Savings) Total						311	566

per annum: 57

Net savings target 100

Net savings still required 157

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SERVICE CHANGE IMPACT ASSESSMENT

SCIA 01 (22/23)

Chief Officer: Sarah Robson
Service: People & Places
Activity: Homeless
No. of Staff: 7 FTE

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Homelessness	300	2 years

A. Reasons for and explanation of proposed change in service

Since the introduction of the Homelessness Reduction Act, all councils have seen an increase in the number of households presenting as homeless or threatened with homelessness. As a result, this Council has seen an increase in the use and cost of temporary accommodation. The length of time customers stay in temporary accommodation is often longer due to lack of suitable move-on accommodation in the district. COVID-19 has placed further pressures on the homelessness service, as we are seeing the impact of the eviction ban and furlough being lifted and increased domestic abuse placements as a result of new Government legislation.

B. Key Stakeholders Affected: Homelessness households

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

The cost of expensive temporary accommodation, including nightly paid accommodation places a budget growth pressure on the Council.

The Council currently receives Government funding to support homelessness via the Homelessness Prevention Grant. 2022/23 funding allocation has still to be confirmed. The funding is used to support homelessness prevention staffing costs, but is also used to support nightly paid temporary accommodation costs for homeless households.

This growth item is only currently included for two years but it is recognised that there is a risk that this may continue for a longer period if alternative solutions are not found and/or additional funding is not provided.

D. Risk to Service Objectives: Medium

SERVICE CHANGE IMPACT ASSESSMENT**E. 2021/22 Budget (£'000)**

Operational Cost	564
Income	(135)
Net Cost	429

F. Performance Indicators

LPI_HS A 03 - No. of households in All type of Emergency and Temporary Accommodation

Actual 124

Target 80

G. Equality Impacts

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and does not vary between groups of people. Regardless of different groups of people, all customers have to be consistently supported in line with Housing legislation.

H. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 02 (22/23)

Chief Officer: Sarah Robson
Service: People & Places
Activity Housing Accommodation
No. of Staff: 4.6 FTE

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Temporary accommodation placement charge	(36)	Ongoing

I. Reasons for and explanation of proposed change in service

This is a new income stream.

Homeless households placed in temporary accommodation will be charged a nominal rate to cover occupation/utilities based on the property type they are offered.

Under the Housing Act 1996, the District Council has a right to make a reasonable charge for temporary accommodation. In 2020, Cabinet approved a Temporary Accommodation Charging Policy to support the recovery of expenditure towards temporary accommodation.

Currently, depending on the type of temporary accommodation available, households are not contributing towards their accommodation/utility costs (gas, water, electric and TV licences).

J. Key Stakeholders Affected: Customers placed in emergency accommodation (nightly paid).

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

Potential impact on customers placed in emergency accommodation. However, careful consideration has been given to affordability. At present occupants of emergency accommodation pay a zero contribution. However, this does not support the transition into move on accommodation when customers will be expected to pay/contribute towards the rent and running costs of accommodation. Income will fluctuate depending on the demand for emergency accommodation and the numbers of nightly paid accommodation in use.

The projected income is based on 50 nightly paid placements and assumes a bad debt provision of 10%.

SERVICE CHANGE IMPACT ASSESSMENT**L. Risk to Service Objectives: Low****M. 2021/22 Budget (£'000)**

Operational Cost 564

Income (135)

Net Cost 429

N. Performance Indicators: N/A

Actual

Target

O. 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.

P. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 03 (22/23)

Chief Officer: Sarah Robson
Service: People & Places
Activity Private Sector Housing
No. of Staff: 6 FTE

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Rent income	(7)	Ongoing

A. Reasons for and explanation of proposed change in service

As a result of addressing tenant issues and reducing voids on the Hever Road traveller site owned and managed by the Council, it is proposed to increase the annual rent income target by £7,000 from 2022/23.

B. Key Stakeholders Affected: Hever Road licence holders/tenants

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

There is no impact on the Hever Road licence holders/tenants, as it does not impact their rent.

Having addressed the historic tenant's arrear issues and minimised voids on the Hever Road traveller site owned and managed by the Council, we are now in a position to increase the annual rent income target by £7,000 from 2022/23, as risks have been lowered through tenancy support, education and enforcement.

D. Risk to Service Objectives: Low

E. 2021/22 Budget (£'000)

Operational Cost 46
Income (56)
Net Cost (10)

SERVICE CHANGE IMPACT ASSESSMENT

F. Performance Indicators - N/A

Actual

Target

G. 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.

H. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 04 (22/23)

Chief Officer: Sarah Robson
Service: People & Places
Activity Private Sector Housing
No. of Staff: 6 FTE

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Site licence monitoring income	(2)	Ongoing

A. Reasons for and explanation of proposed change in service

In October 2020, Council approved for a new fee schedule to be introduced to monitor site licence health and safety compliance in line with the Mobile Homes Act 2013 the Council is now able to charge a fee to license residential caravan sites, including residential parks or mobile home park.

B. Key Stakeholders Affected: Residential parks or mobile home park owners and residents.

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

There are not considered to be any risks associated with charging fees for residential caravan sites.

The introduction of the fee has enabled the Council to better monitor residential caravan sites in the District and provide a better service to residents, ensuring that the standard of our residential caravan sites is as high as possible.

D. Risk to Service Objectives: Low

E. 2021/22 Budget (£'000)

Operational Cost 287

Income (3)

Net Cost 284

F. Performance Indicators: N/A

SERVICE CHANGE IMPACT ASSESSMENT

Actual

Target

G. 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.

H. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 05 (22/23)

Chief Officer: Jim Carrington-West
Service: IT
Activity: Finance - System Support & Development
No. of Staff: 13.0 FTE (Finance)

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Finance system - Increase in licence costs and need for maintenance & development	20	Ongoing

A. Reasons for and explanation of proposed change in service

Following a recent audit by Unit 4 on Agresso licences the budget allocation is not sufficient to fund the existing use or allow for additional licences.

Furthermore, as the Agresso system is further utilised it is necessary to use consultants to implement continued development. Finally, with a system such as Agresso it requires very specific systems knowledge so when issues arise with the system it is necessary to employ consultants to resolve those issues. Currently there is no budget to fund these additional costs which were previously absorbed within the service, but that spare capacity no longer exists

B. Key Stakeholders Affected:

All Council Services

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

Without the additional budget the council would be in breach of the licence agreement and would be penalised by Agresso. Also, without the budget to employ consultants as needed, the development and therefore how the system supports the Council would be affected

D. Risk to Service Objectives: High

E. 2021/22 Budget (£'000)

Operational Cost 357

Income (-)

SERVICE CHANGE IMPACT ASSESSMENT

Net Cost 357

F. Performance Indicators

N/A

G. 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.

H. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 06 (22/23)

Chief Officer: Adrian Rowbotham
Service: Direct Services
Activity: Enforcement
No. of Staff: 8

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Enforcement software	20	ongoing

A. Reasons for and explanation of proposed change in service

The environmental enforcement do not have any investigation management software to manage and prosecute criminal offences.

B. Key Stakeholders Affected: Legal, Police

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

This will be a positive change and reduces the risk of failing prosecutions in Court, as the new court listing system requires electronic submission of evidence, which this new system will achieve.

The software will also ensure better case management and supervision for the new expanded team.

D. Risk to Service Objectives (High / Medium / Low) Medium

E. 2021/22 Budget (£'000)

Operational Cost 325

Income (321)

Net Cost 4

F. Performance Indicators

LPI_DS Clean 002: Average number of working days taken to remove fly tips which the District Council has responsibility to clear

Actual 3.2

Target 4

SERVICE CHANGE IMPACT ASSESSMENT

G. 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.

H. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 07 (22/23)

Chief Officer: Adrian Rowbotham
Service: Internal Audit
Activity: Internal Audit
No. of Staff: 3.8 FTE (SDC share of total 6.3 FTE)

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Audit software upgrade	Up to 16	One-off

A. Reasons for and explanation of proposed change in service

The audit software used by Internal Audit (Team Mate) will need to be replaced in 2022 as the current software will no longer be supported by the supplier.

A competitive procurement process will be undertaken, and it is currently estimated that there will be one-off set-up/installation costs of between £15,000 and £30,000.

If we do not award the contract to the existing supplier there will also be an additional cost involved for them to download and hand over the existing data in a useable form. There is not currently an estimate for this cost but an extra £1,000 has been added to the costs for each partner to allow for this.

Internal Audit operate as part of a shared service with Dartford BC and any additional costs will be shared 50:50 between the two partners.

B. Key Stakeholders Affected: All council services.

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

The Audit management system is an integral part of the team's way of working as it is used for all aspects of the audit process including planning, fieldwork, reporting, follow up and time recording.

If there was no longer audit management software, the team would have to invest significant amounts of time creating and developing manual workarounds using Word and Excel which would not be as effective or professional.

D. Risk to Service Objectives (High / Medium / Low) Medium

E. 2021/22 Budget (£'000)

SERVICE CHANGE IMPACT ASSESSMENT

Operational Cost	201
Income	-
Net Cost	201

F. Performance Indicators

n/a

G. 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.

H. Net Zero Implications

The decision recommended through this SCIA has a remote or low relevance to the council’s ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Further Growth and Savings Suggestions made by the Advisory Committees

Cleaner and Greener Advisory Committee

None

Development and Conservation Advisory Committee

None

Finance and Investment Advisory Committee

None

Housing and Health Advisory Committee

Savings (reduced expenditure/increased income)

Review the potential of setting up a social lettings agency.

Improvement and Innovation Advisory Committee

None

People and Places Advisory Committee

Savings (reduced expenditure/increased income)

Charging for tourism events.

Charging for sporting events.

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Financial Strategy








INTRODUCTION

In the years preceding this Strategy Sevenoaks District Council has proven itself to be highly successful in some of the most austere and challenging times faced by local government. This was only possible because of our award winning financial strategy and the achievement of a self-sufficient balanced budget within our unique 10-year budget framework.

The absolute need and desire to support our local businesses and people in our communities during the Covid-19 pandemic placed an unforeseen and difficult challenge on the Council and its finances. Using our previous experience and following our principles, we acted early, bringing forward our budget setting, making incredibly difficult but necessary savings to maximise the opportunity for a much stronger financial position in the medium to long-term.

Our Financial Strategy enables the Council to deliver its services effectively, in accordance with the priorities set out in the Corporate Strategy. At the same time, it ensures that our spending is prioritised to deliver the promises our Members set out in the **Council Plan themes**:

-  Environment
-  Economy
-  Housing
-  Community Safety
-  Health

OUR FINANCES

Our Vision

Long-term financial health to deliver exceptional services and achieve the promises set out in the Council Plan.

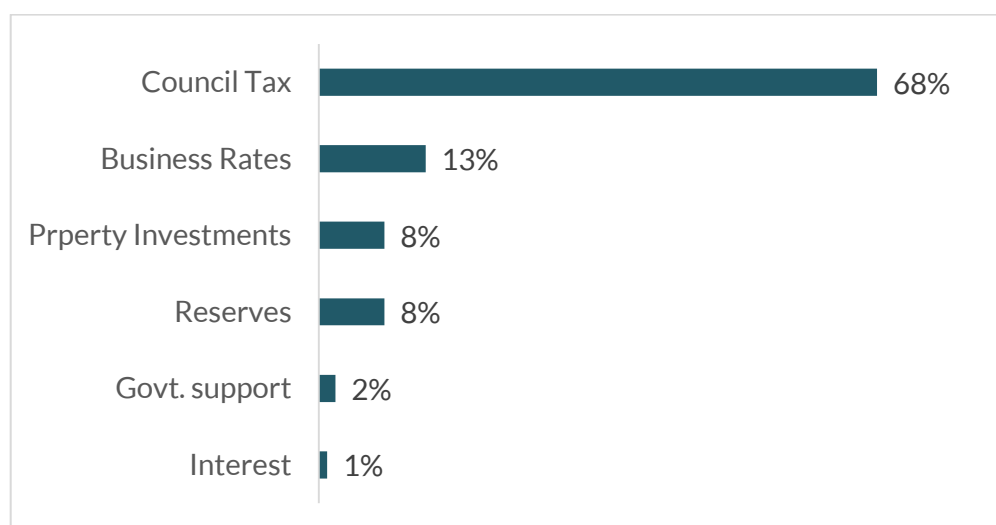
What's important to us:

- Our budget supports the Council's vision and priorities
- Taxpayers and customers receive quality services and value for money
- Innovation, efficiency and cost-effectiveness
- Maximising income from grants and other funding opportunities
- Taking a commercial approach where it will benefit our budgets and our residents and local businesses
- Good quality, risk managed investments to generate more income for local priorities

To be successful, we must:

- Remain financially self-sufficient
- Be clear about the Council's future financial prospects, with a ten-year budget as an integral part
- Ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting
- Make effective use of reserves and capital receipts
- Manage our money carefully, monitor monthly and constantly strive for better value from our spending

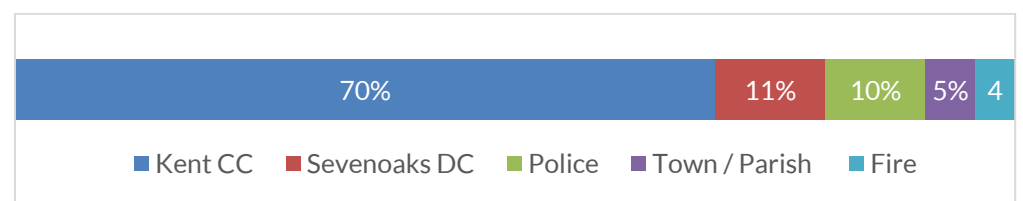
WHERE OUR MONEY COMES FROM



COUNCIL TAX

Sevenoaks District Council collects the Council Tax charge for itself but also for Kent County Council, Kent Fire & Rescue Service, Kent Police & Crime Commissioner and all the local town and parish councils. Each authority sets its own charge that contributes to the total.




Sevenoaks District Council's part of the charge at Band D is £224.91, 11% of the total. Council Tax contributes about £11.4million to District Council services.



WHERE OUR MONEY IS SPENT

In 2021/22 the Council will spend about £16.8million on services for local people

	Cleaner & Greener £5.7m
	Development & Conservation £0.9m
	Housing & Health £1.0m
	People & Places £0.6m

	Finance & Investments £3.1m
	Improvement & Innovation £5.7m
	Other -£0.2m

OUR PRIORITIES | By keeping a focus on our priorities we will deliver our vision

Financial self-sufficiency



No longer relying on direct government funding gives greater certainty to our financial planning. It allows for long-term plans to be developed over our 10-year budget period.

- We will produce high quality financial reports and monitor our budgets every month
- We will address growth items and service pressures annually through the budget planning process
- We will manage inflationary pressures and prudent assumptions about future pressures and keep them under regular review

Savings & reserves



Creating a culture where there is a continuous drive for better value in our spend helps to create savings to balance our budgets. Alongside flexible and effective use of reserves, it allows for sustainable solutions to financial pressures

- We will seek to deliver a minimum of £100,000 in savings annually
- We will regularly review the use of reserves and maintain a minimum balance of 10% of the Net Service Expenditure budget.
- We will make flexible use of the Budget Stabilisation Reserve to increase resilience in the budget setting process

Income & investments



Making best use of the Council's reserves and carefully managed borrowing generates 10% of the Council's annual budget. Seeking new opportunities for funding from grants and investments is increasingly essential to the Council's financial sustainability.

- We will bid for external funding
- We will adopt a commercial approach where it will be of benefit to our budgets and support the delivery of Council priorities
- We will make investments in property and banks and institutions to bring in income to support the delivery of Council services

Delivering our Financial Strategy

Our Financial Strategy is supported by a number of related strategies and an action plan to help us achieve our vision and to deliver the ambitions set out by Members in the Council Plan.

How we work as a team of officers is critical to the success of the organisation and to help us achieve our aims, the Financial Strategy seeks to unite us all behind the same priorities and approach.

The outcomes we hope to achieve and the measures that will help us to determine whether we have been successful are set out below.



Outcomes and success measures

Financial self-sufficiency					
	Financial plans ensure there are no unplanned reductions to Council services		Overall proportion of Council budgets funded by income from council tax does not increase		A balanced 10-year budget is delivered annually
Savings & Reserves					
	Annual savings exceed the £100,000 target whilst continuing to protect services		The General Fund reserves retains at least 10% of the Net Service Expenditure budget		Specific savings agreed as part of the annual budget process are achieved as planned.
Income & Investments					
	Successful bids for external funding generate new income and opportunities for the Council		Income from paid for services is in accordance with budget costs, is comparable to neighbouring authorities and is considered to provide value for money		Treasury Management, Property and commercial investments exceed expected yield

Item 6 - Street Naming and Numbering Policy

The attached report was considered by the Improvement and Innovation Advisory Committee on 25 November 2021. The relevant Minute extract was not available prior to the printing of this agenda and will follow when available.

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STREET NAMING AND NUMBERING POLICY

Cabinet - 9 December 2021

Report of: Chief Officer Customer and Resources

Status: For Consideration

Also considered by:

- Improvement & Innovation Advisory Committee - 25 November 2021

Key Decision: No

Portfolio Holder: Cllr. Fleming

Contact Officer(s): Amy Wilton, Ext. 7280

Recommendation to Improvement and Innovation Advisory Committee:

That it be recommended to Cabinet that the revised policy be adopted.

Recommendation to Cabinet:

That the revised Street naming and numbering policy be adopted.

Introduction and Background

- 1 Since the current Street Naming and Numbering policy was adopted in 2015, there has been a significant change in the requirements for, and use of, addresses. With the rise of on-line business, all aspects of daily life are reliant on logical and centralised address data. Commercial bodies are also increasingly dependent on Unique Property Reference Numbers (UPRN) (to which the addresses are linked) to accurately locate and identify individual properties. Since 2017, there has been a steady growth in enquiries seeking clarification or confirmation of addresses that may originally have been unofficially created.
- 2 The growth of deliveries by couriers in recent years has also led to an increase in enquiries about problems with confusing addresses; delivery workers unfamiliar with an area are more likely to be confused or mistaken by similarities in addresses. This requires the Council to be more stringent with applications for new addresses than might have been the case in the past, and means that many occupants should review the efficacy of signage on their properties.

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- 3 The current policy is limited in scope, and is not robust enough to support officers in some of the more complex decisions that are required.
- 4 The structure of the current policy means it is of limited use as guidance for the majority of Street Naming and Numbering applicants, who are not applying to name a new street; the information for other types of applications is too superficial. Street Naming and Numbering is a highly specialised field; most applicants have no previous experience of the process and are unfamiliar with the issues involved. Nationally there is little information available online to guide customers.
- 5 In the current policy, the cursory coverage of the constraints that need to be considered results in excess officer time spent explaining issues to applicants.
- 6 The Street Naming and Numbering function is covered by several different pieces of legislation. Two of the Acts concerned cancel each other out, so an authority has to formally adopt one of the two Acts. The 2015 Street Naming and Numbering policy mentions all legislation relating to Street Naming and Numbering, but does not explain what has been adopted by Sevenoaks District Council. The resulting confusion has had an impact on some decisions.

Proposed changes

- 7 The proposed policy aims to provide a more robust and user-friendly document that guides applicants and officers, and supports the Street Naming and Numbering function. The emphasis is to follow national guidance, tailored to issues encountered in the Sevenoaks district in recent years.
- 8 The proposed policy details the decision making process, the routes for appeal, issues of responsibility (i.e. postcodes, signage, compensation etc.).
- 9 The 2015 policy includes the fees in an appendix. To make it easier to review the fees, without having to formally review the entire policy, these have been removed from the proposed policy.

Key Implications

Financial

There are no financial implications for this report.

Legal Implications and Risk Assessment Statement.

The Council's Legal team have confirmed the legislation adopted by Sevenoaks District Council in 1986 and this has been clarified in the proposed policy.

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.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Appendices

Appendix A - Proposed Street Naming and Numbering policy

Background Papers

[Current Street Naming and Numbering policy](#)

Jim Carrington-West

Deputy Chief Executive and Chief Officer - Customer and Resources

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Appendix A



STREET NAMING AND PROPERTY NUMBERING POLICY 2021

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1. Introduction

- 1.1. The address of a property is an important issue; it is vital that the emergency services can locate a property quickly and efficiently. With the rise of on-line business all aspects of daily life are becoming increasingly dependent on accurate and logical address records. If an address is not registered, the owner or occupant can experience difficulty in being connected to utilities and in obtaining goods and services, such as applying for a credit. If an address is similar to others in the area there may be problems with missed deliveries, or with deliveries being made to the wrong property.
- 1.2. The Council, under the Towns Improvement Clauses Act 1847, the Public Health Acts Amendment Act 1907, and the County of Kent Act 1981, controls the naming of streets and numbering of buildings, both residential and commercial, in the district of Sevenoaks. The purpose of this control is to make sure that any new street names and building names and numbers are allocated logically with a view to ensuring that the emergency services are able to speedily locate any address, to enable the effective delivery of mail, and to minimize problems in obtaining goods and services such as utilities.
- 1.3. Anyone seeking an address for a new property (including divisions and conversions), or wishing to change the address of an existing property, should apply in writing to the Council. This includes commercial properties as well as residential ones.
- 1.4. The guidance is set out in this policy to inform developers and applicants, not for applicants to use themselves to create addresses. Sevenoaks District Council (SDC) is the sole organisation responsible for deciding the official address of any property in the District.
- 1.5. If a new property requires planning permission, we shall be unable to process any street naming and numbering application until relevant planning permission has been granted.
- 1.6. Requests for changes to existing addresses can only be accepted from the owners of properties and not tenants. Tenants wishing to change the address of the property should provide written evidence of consent from the owner or make their request to the property's owner who, if they agree, will then apply to the Council to change the address.
- 1.7. The Council is unable to issue official addresses for mobile homes unless they are registered for Council Tax and have planning permission as

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permanent dwellings. For information on addressing annexes, refer to Section 7.19.

- 1.8. It is unlawful to use a street name, or erect a street nameplate, until the name has been confirmed in writing by Sevenoaks District Council (SDC).
- 1.9. The owner is required to mark a property with the number (or name if there is no number) of the property in such a manner that is clearly visible from the highway. This sign must be erected within 28 days of the receipt of the official notification of the new address, or within 7 days of practical completion of construction for new developments. If the owner fails to mark the property as required, they will be liable to a fine not exceeding level 1 on the standard scale, and the council will cause the number (or name) to be marked on the property; the expense will be repayable by the owner to the council and will be recoverable as damages.

2. Postcodes

- 2.1. Sevenoaks District Council is not responsible for issuing postcodes; this is the responsibility of Royal Mail. However, Royal Mail will not issue a postcode for a new street or property until requested to do so by the Council.
- 2.2. Royal Mail's criteria for issuing, or refusing, postcodes is set out in the PAF Code of Practice, available on the Royal Mail website. Please be aware of the main criteria requirement:-

“A building has to be either a residential dwelling or a bone fide business address that has clear signage displaying the business name. The building should be occupied during business hours and the delivery point should be secure and easily accessible for the delivery of mail. A letterbox on an uninhabited building, fence or gate does NOT meet the criteria to be added to PAF”.

An address will only appear on Royal Mail's website if it is in the PAF database.

- 2.3. Enquiries about postcodes are dealt with by the Royal Mail Address Management Centre; contact details on the Royal Mail website.
- 2.4. For any complaints relating to the delivery of mail, or the records held on Royal Mail's database, contact Royal Mail Customer Services.

3. Purpose of Policy

- 3.1. This policy provides a framework for Sevenoaks District Council to

administer its Street Naming and Numbering (SNN) function effectively and efficiently for the benefit of residents, businesses and visitors. It will also act as a guide for developers when considering new names for streets and give assistance to Town and Parish Councils.

3.2. The Policy defines:

- (i) Legal framework for administrating the SNN service.
- (ii) Protocols for determining official street names and numbers.
- (iii) Recommendations to prevent confusion in addresses.

3.3. The policy has been developed to meet national standards and reflects lessons learned from resolving problems previously encountered by the residents and businesses of the District. Some addresses that were without problem in the days when deliveries were made by local people who knew the area well, and any extra seconds taken to respond to an emergency call were not critical, may today find that they have difficulties.

4. Legal Framework

4.1. The Legislation adopted by SDC for carrying out naming and numbering is:

Sections 64 of the Town Improvement Clauses Act 1847 (street naming provisions)

Section 21 of the Public Health Acts Amendment Act 1907 (alteration of street name)

Section 10 The County of Kent Act 1981 (street numbers)

4.2. The Council has the responsibility to maintain a Local Land and Property Gazetteer (LLPG), which is a database of property addresses within the district of Sevenoaks. This information also feeds into the National Land and Property Gazetteer (NLPG). Within the LLPG addresses are held under the BS7666 addressing standard of

- Property number, name, or both
- Name of street by which the property is accessed
- Town
- Postcode

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4.3. The purpose of this standard is to ensure that any new addresses are allocated logically. It should also be noted that the LLPG provides geographic location information for all properties in the District.

5. Street Naming and Numbering Charges

5.1. Sevenoaks District Council charges for its street naming and numbering service. These charges are to be paid prior to any changes of address being made to a property. Changes made without contacting the Council will not be officially recognised and will not be registered with services and organisations listed in Appendix A.

5.2. Applications will be verified to ensure that an address is acceptable before payment is taken. Refunds will not be made for the street naming and numbering service if the applicant's proposed address is not agreed by Royal Mail; in these circumstances we will endeavour to find an acceptable alternative address.

5.3. If an application and payment of fees is not received, new properties may be allocated addresses, without postcodes, for the purpose of the emergency services. In this case external notifications, with the exception of the emergency services, will not be issued and properties may experience problems with services.

5.4. Fees and charges applicable for the street naming and numbering service may be reviewed during the Council's budget setting process and publicised through the Council's agreed communication channels including the website.

6. New Developments

6.1. A developer should not give any postal addresses, or postcodes, to potential occupiers (for example via solicitors or estate agents) before formal approval of new addresses has been issued by the Council, as it is likely that any plot or unit numbering system used will not meet the requirements of the Council. The Council will not be liable for any costs or damages caused by failure to comply with this.

6.2. The informal adoption of unofficial 'marketing' titles, used by developers in the sale of new properties, as addresses is not acceptable. Developers are reminded that under S.1 of the Property Descriptions Act 1991 that it is an offence to make a misleading statement about the location or address of a property.

7. New Properties

- 7.1. On all new streets, the properties will be numbered. Names can be allocated in addition to a number but not as an alternative.
- 7.2. On an existing street, any new properties will be numbered within the existing sequence. If the existing scheme cannot be continued the new property will be given the same property number as that before the infill followed by a suffix of A, B, C etc. in accordance with national address standards.
- 7.3. In circumstances where an existing street is extended the same street naming and numbering sequence will be continued, subject to the limitations of the existing numbering scheme.
- 7.4. If the existing properties on the street are not numbered a new property will be named: it is essential that the names are officially allocated so that they can be registered with the emergency services.
- 7.5. Properties in a new street will be numbered with even numbers on the right and odd numbers on the left from the start of the street.
- 7.6. For cul-de-sacs, which are not likely to be extended in future, consecutive numbering in a clockwise direction will be applied, starting with number one on the left hand side of the entrance to the cul-de-sac.
- 7.7. A proper sequence shall be maintained including the number 13. Numbers will not be omitted for superstitious or religious reasons.
- 7.8. Buildings (including those on corner sites) are numbered according to the street that the main entrance faces.
- 7.9. All new addresses will include the name of the nearest (officially named) street from which they are accessed, to enable the emergency services to find them quickly.
- 7.10. Only in exceptional circumstances, and at the discretion of the SNN Officer, will the new properties be separately numbered with the name of a terrace, row, or mews added within the existing street address.
- 7.11. On a street where the properties are named, the name of the new property should not repeat the name of the street, or that of any other property in the area, in a way that could lead to confusion with a pre-existing address. Names that imply a historic status or use, i.e. Manor, Hall, Grange, Farm (in a built-up area) will not be accepted for new properties unless they replace a property of the same name.

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7.12. Suggested names will not be accepted if they are likely to cause offence, or breach rules of common decency.

7.13. For a block of flats, it is usual to give a street number to the block. Where there are not sufficient numbers available because of existing development, or the block exceeds 10 dwellings, the block should be given a name. The following is a list of approved suffixes for block names:

Suffix	Context for Use
Court	Residential or commercial
House	
Apartments	At least four storeys with more than 10 units
Point	High block residential or commercial
Tower	
Heights	

7.14. Each flat will be separately numbered within the block. New blocks of flats should be sequentially numbered from the lowest floor upwards with numbers ascending from the nearest flat to the entry point in a clockwise direction.

7.15. Descriptive addresses for flats e.g. Flat Above or Garden Flat will not be approved.

7.16. Where flats are created above existing commercial premises that have an address in the street, the same naming and numbering rules as with a new block of flats will be applied. Letters will not normally be approved, however there may be circumstances where the flats are given a number and a suffix a, b, c etc. This will be reviewed on a case-by-case basis at the discretion of the SNN Officer.

7.17. Business properties will be allocated an address with a number within a street, or as a Unit number within a business park or industrial estate.

7.18. Where commercial premises or units have not previously been allocated a number or name (other than the trading name of the occupant), the Council will apply a number or name to provide a consistent primary identifier. This will enable the emergency services to locate the property and will avoid the need for a new address application each time the unit/building changes occupants.

7.19. Annexes will not be issued with independent official postal addresses. If the planning permission requires them to be used as ancillary to the main dwelling, then the main dwelling will be used for addressing purposes; i.e. "Annexe at...".

7.20. SDC will not issue a postal address to holiday chalets or temporary mobile homes, or to plots of land, whether for the receipt of post or services.

8. Changes to existing properties (i.e. conversions, divisions, replacements)

8.1. The Council will assume that a single replacement dwelling or unit will retain the number or name of the original property.

8.2. If the replacement dwelling requires a name change, a new application will be needed.

8.3. Where more than one property is demolished and rebuilt, it is likely that new addresses will be required, to avoid the risk of confusion with previous properties.

8.4. The merging of two or more existing properties will also require re-addressing.

8.5. When commercial properties or residential properties are converted and/or subdivided an application should be made to the Council for the new units to be given addresses.

8.6. Where a building is divided into bedsits the individual units within the building will not be given individual postal addresses, unless they each have a dedicated letterbox or delivery point. Otherwise, one main address will be given where post is delivered to one communal delivery point.

9. New Streets

9.1. **This section of the policy applies to new streets being created, not to existing streets, which may not meet the current criteria.** The current criteria have been informed by problems encountered by the emergency

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services, and by residents and businesses on existing streets.

- 9.2. A new street name will only be considered for an access that serves 10 or more properties. Where a small development comprises fewer than 10 properties with a common access drive there may be a name for the development, but the address will incorporate the name of the street from which the development is accessed (for instance 1-4 Smith Mews High Street).
- 9.3. Regardless of the size of a development the decision as to whether a new street name will, or will not, be issued is solely a matter for Sevenoaks DC.
- 9.4. As part of the SNN application, the developer will be requested to supply up to three preferred names for consideration for each new street being constructed. Wherever possible Sevenoaks DC encourages the use of names that reflect the local history, geography, or character of the area. All suggestions must conform to the guidelines set out below. When deciding, preference will be given to local community suggestions.
- 9.5. Where an area, site, or previous building has names, activities, features, wildlife etc. historically associated with it, it is usual to preserve these in street names. Where there is no information to suggest a street name from the immediate area other local aspects should be considered, and the source area should be widened, up to County level.
- 9.6. If a suitable 'local' name cannot be identified, then any name can be suggested, subject to the guidelines below.
- 9.7. Where several streets are included in a development a theme linking the names can be used to identify the area.
- 9.8. To reduce potential confusion, especially for the emergency services, new street names must avoid replicating a similar name already in use in an area. This includes phonetically similar names e.g. Churchill Road and Birch Hill Road. A variation in the suffix, for example 'street', 'road', 'avenue' will not be accepted as sufficient reason to duplicate a name (i.e. Holly Road and Holly Drive).
- 9.9. Suggested names will not be accepted if they are likely to cause offence, or breach rules of common decency.
- 9.10. Naming after a person still living will not be approved; this avoids the potential impact of any future negative publicity, which may instigate requests to change the name. Naming a road after members of the

developer’s family will also be unacceptable.

- 9.11. Street names that promote (or could be confused with) an active organization, individual or advertisement will not be permitted.
- 9.12. Names that are capable of deliberate misinterpretation e.g. Hoare Road, Typple Avenue should also be avoided.
- 9.13. Use of names with Royal connotations or any reference to the Royal family or their residences will not be permitted without written consent of the Lord Chamberlain’s Office.
- 9.14. Street names should not be difficult to pronounce or awkward to spell. To reduce delay for an emergency call they should not start with ‘The’, or end with ‘s’ (if the ‘s’ suggests either possession or a plural, such as ‘Lanes’).
- 9.15. Street names must only contain letters found in the English alphabet. Numbers, characters, punctuation or symbols will not be permitted under BS7666 addressing standards.
- 9.16. The use of ‘North’, ‘East’, ‘South’ or ‘West’ (as in Old Road East and Old Road West) is also discouraged, and is only acceptable where the street is continuous and passes over a major junction. It is not acceptable when the road is in two separate parts with no vehicle access between the two. The same restriction applies to the use of ‘Upper’ and ‘Lower’.
- 9.17. The following is a list of approved suffixes for new streets:

Suffix	Context for Use
Avenue	For residential roads
Drive	
Grove	
Lane	
Rise	
Vale	

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Suffix	Context for Use
View	
Mead	Only for exceptional circumstances. Preferably near a water course.
Row	For residential roads. Only for exceptional circumstances.
Dene	
Court	For small enclosed developments, provided it does not repeat the name of the street from which access is gained.
Mews	
Yard	
Road	For any thoroughfare
Street	
Close	For a cul-de-sac only
Crescent	For a crescent shaped road only
Hill	For a hill only
Gardens	Subject to there being no confusion with any local open space, and provided it does not repeat the name of the street from which access is gained
Place	
Square	For a square only
Terrace	For a terrace of houses but NOT as a subsidiary name within another name
Way	For a major road

9.18. Single or dual names without suffixes may be acceptable in appropriate places (e.g. Broadway), subject to the decision of the SNN Officer.

9.19. All new pedestrian ways should end with 'Walk', 'Path', or 'Alley'.

10. The Procedure for Naming a New Street

10.1. The SNN Officer will confirm the acceptability of the developer's proposal in terms of address standards, and then the appropriate Parish / Town Council will be consulted on the acceptable names. The period allowed for consultation shall be 28 working days from the date of the covering letter to the Parish/ Town Councils. The consultation period may be extended, if requested, to enable local council meetings to take place.

10.2. If the consultees accept one of the offered names, then that name will be forwarded to Royal Mail for comment. If Royal Mail agree to the name then it will be adopted, the properties within the new street will be numbered and an official plan produced. The plan will be distributed to the developer and other relevant bodies.

10.3. If no response is received from the consultees, then the SNN Officer will select one of the three offered names, the properties within the new street will be numbered, an official plan produced and distributed.

10.4. If none of the offered names are considered acceptable by the SNN Officer then the Parish/Town Council will be asked to suggest a name, if considered acceptable then the developer will be informed, the new street will be numbered, an official plan produced and distributed.

10.5. It is the responsibility of the SNN Officer to make the final decision on street names. If there is an objection or dispute about a proposed road name, the final decision will rest with the SNN Officer.

10.6. The developer will provide and install nameplates for all new streets in accordance with the SDC specification (Appendix B).

11. Renaming existing properties

11.1. In streets where existing properties are not numbered it is essential that the properties are officially allocated names.

11.2. Applicants are advised to make at least two, preferably three, suggestions for property names, stating the order of preference. It is recommended that the names should be different, rather than variations on

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a theme, to avoid the problem of similarity to an existing address; i.e. do not suggest Rose Cottage and Rose House, as the problem is likely to be with 'Rose'.

- 11.3. Names that breach rules of common decency, or promote an active organisation or individual (or appear to) will not be approved. Names deemed offensive in terms of race, faith/religion, gender, disability, age, sexual orientation or inappropriate language will not be permitted.
- 11.4. Suggested names will not be accepted if they are difficult to pronounce, or if they are similar to the name of another property, building or street name in the surrounding area, which would cause confusion. For example, duplicated house names on the same road, or within the same postcode sector, will not be permitted. A postcode sector is identified by the first five characters of a postcode e.g. TN13 3**.
- 11.5. Naming residential properties after a person still living, or organisations, companies etc. is unlikely to be approved. This avoids the potential impact of any future negative publicity that may result in a request for another change.
- 11.6. Use of names with Royal connotations or any reference to the Royal family or their residences will not be permitted without written consent from the Lord Chamberlain's Office.
- 11.7. Building names should only contain letters found in the English alphabet. Numbers, characters, punctuation or symbols will not be permitted under the BS7666 addressing standards.
- 11.8. It is the responsibility of the SNN Officer to make the final decision on property names. This is based on a case by case basis, and factors such as locality and duplicate addresses, or addresses that could cause confusion for the emergency services, will be taken into account. For more information on the decision process, see Section 16.
- 11.9. When an existing property address is changed the council will notify Royal Mail and the statutory bodies of the change, but it is the responsibility of the person requesting the changes to notify all their personal contacts. Please also note that Land Registry are informed, but will not alter the address on the Title Deeds: the applicant will need to arrange for this personally.

12. Renumbering existing properties

- 12.1. Renumbering of existing properties by developers or owners is not acceptable. Once a property has been officially allocated a number it cannot be changed or removed from the address and must be clearly displayed on the property. The owner is obliged to use this number under Section 64 of The Town Improvement Clauses Act 1847, and Section 10 of the County of Kent Act 1981.
- 12.2. Where a name has been added to a property with a number, the number must always be included; the name cannot be regarded as an alternative. The property name and number must be clearly displayed on the property by the owner and be visible from the highway. This is enforceable under Section 64 of The Towns Improvement Clauses Act 1847, and under Section 10 of the County of Kent Act 1981, where such person shall be liable to a penalty under the provisions of the Criminal Justice Act 1982 (Section 37 (2) Standard Scale Level 1 offences).
- 12.3. The purpose for the insistence on the use of the number is to aid the emergency services; it is much quicker and easier to locate a number in a sequence of numbers than a name in a random group of names.
- 12.4. In the case of an inconsistency in an address, the version of the address that is most commonly used on several databases including Royal Mail and Land Registry will be accepted. For example, a flat that is referred to as both Flat A and Flat 1 by multiple organisations: cases like this are often revealed when a customer is applying for a mortgage but has a non-registered address. In these circumstances other databases will be checked and the final decision on the official address will lay with the Council.
- 12.5. Renumbering the properties in whole or part of an existing street is to be avoided unless the benefits clearly outweigh the obvious disadvantages. On rare occasions where this becomes necessary it is usually only done as a last resort when:
- There is confusion over numbering in the street
 - New properties are built in an existing street and there is a need for other properties to be renumbered to accommodate the new properties. This is a very rare occurrence, usually caused by large-scale redevelopment.
 - The quantity of named-only properties in a street are deemed to be causing confusion for the emergency services, deliveries or visitors.

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- 12.6. Properties will not be renumbered in circumstances whereby delivery companies fail to correctly deliver goods. This is the full responsibility of the delivery company.
- 12.7. Existing residents and business owners will be consulted using the same procedure as that for renaming a street (Section 13). Royal Mail and the emergency services will also be consulted.

13. Renaming an Existing Street

- 13.1. To change a street name the Council will require a minimum of two-thirds support from the persons responsible for paying the local council tax or business rates in the affected street, as any change can be very disruptive and cause individuals to have to change all their personal address details. The consultation process referred to in this document will be implemented before any agreement is given. This is a very time consuming process and can be very emotive for those involved and will, therefore, only be contemplated as a last resort.
- 13.2. On rare occasions where this becomes necessary it is usually only done when:
- A street name is regularly confused with another street in the area.
 - There is confusion over a street's name and/or property numbering.
 - The residents are unhappy with their street name.
- 13.3. Anyone proposing to change a street name must consult all the affected occupants and obtain the written approval of two thirds of the occupants for the proposed name change. The Council will supply a form for this purpose. Only when the form is returned to prove sufficient support for the name change will the Council then start any renaming process.
- 13.4. The Council will issue official letters to all occupiers, and to the landlords of any tenanted properties (where SDC has contact details for them), seeking formal approval to the name change. In addition, the Council will consult Royal Mail, local Parish/Town Councils and relevant SDC ward member(s) on the issue.
- 13.5. The consultation process will run for 28 calendar days from when the consultation letters are sent and will be implemented before any agreement is given.

13.6. Where a street is renamed, the naming rules in Section 9 of this policy still apply when suggesting a replacement street name.

14. Discrepancies in street names

14.1. There may be instances where a road has been formally named by the Council but does not appear on Royal Mail's database (known as PAF). This is most likely in rural areas where PAF addresses may reflect historic delivery routes, or in streets that do not have any properties that receive post. We will try to resolve any discrepancies wherever possible by consulting with Royal Mail. However, Sevenoaks District Council are not responsible for Royal Mail's database.

14.2. Where the Council is made aware that a street name has possibly been recorded incorrectly or inaccurately it will:

- Check any deeds and documents that the Council has for any evidence of the street name used historically.
- Check any historical maps, department records and any other records the council hold that may provide supporting evidence, for consideration prior to making a decision
- Check existing street nameplates. Generally, these are deemed to be correct unless proved otherwise
- Check Kent County Council Highways records
- Consult with the relevant Town or Parish Council when there is a need for local knowledge, i.e. regarding pre-existing unofficial street names, or where specified streets start and finish.

14.3. If evidence comes to light that the street name currently recorded and/or on display is not correct, the Council will consider two courses of action:

- Where the error is inconsistency in spelling or composition the Council will make a decision based on the most frequent use, and earliest recorded form, of the street name.
- Where the error is more significant the Council will consult with, and ballot, the owners of the properties in the street. After the owners

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have been consulted, and taking into consideration the factors listed above, we will consider making an order to change the street name following the same procedure detailed in Section 13 of this policy.

14.4. In both circumstances the Council will write to each property confirming the address of the property (whether we change the existing name or not). We will also circulate the official address to other council departments and interested parties such as the emergency services, Royal Mail, etc. to ensure address consistency.

14.5. Where the Council considers there is not sufficient evidence to justify a change the existing name will remain unaltered, unless an application and subsequent fee is made to rename the street following the guidance for requested changes.

15. Notification

15.1. The Council will notify the organisations in Appendix A of any numbering, naming or renaming. It is the responsibility of the applicant to notify all their personal contacts, suppliers etc.

15.2. A confirmation letter and schedule (if applicable) will be sent to the applicant when the application is completed. It is advisable to keep this in a safe place with the deeds to the property, as an administration fee will be applicable for a replacement copy.

16. Decision and Discretion

16.1. The Council's decision is final for the naming of roads, re-naming of roads, numbering or re-numbering of properties, and is at the discretion of the Head of Service Delivery in consultation with the Portfolio Holder/Ward Councillor, delegated to the responsibility of the Street Naming and Numbering Officer.

16.2. If any resident/owner or interested party wishes to appeal against a decision of the Council, they should in the first instance seek to do so through the Council's complaints procedure. If this fails to resolve the issue, they have the right to seek redress through the Local Government and Social Care Ombudsman.

17. Claims for Compensation

17.1. Mis-delivered mail or goods are the responsibility of the delivery company. Sevenoaks District Council is not liable for any claims for compensation arising directly or indirectly from the official naming of

roads, numbering or re-numbering of properties.

- 17.2. No refunds will be made for the Street Naming and Numbering process as per Section 5.2 of this policy.

18. Council Responsibility

Sevenoaks District Council is not responsible for the following:

- 18.1. Marking the address on the property. It is the responsibility of the developer / owner / occupier to ensure that the property address is marked in such a way that it can be clearly seen from the road.
- 18.2. Correspondence and deliveries not being delivered to the correct address. Any complaints should be directed to Royal Mail Customer Services, or the delivery company concerned.
- 18.3. The address being unavailable on databases used by third parties, such as retail outlets (including internet-based businesses).
- 18.4. Ordnance Survey, or other provider's, maps or plans not featuring any new properties or roads.
- 18.5. Issuing postcodes. Royal Mail will not issue postcodes to addresses such as land that are not capable of meeting their requirements for receiving post. If a property requesting a postcode does not meet Royal Mail's criteria for a postal address and a postcode is refused, we do not have the power to change this decision. Refer to Section 2.2 for further information.
- 18.6. Changing the address on Title Deeds to match the official / postal address. This can only be done by the owner, either via a solicitor or by using a form 'to change the register', available on the Land Registry website.
- 18.7. Whilst we will endeavour to do so, it is not the Council's duty to inform Royal Mail of the occupation status of the new development. Unless the SNN Officer is advised by the applicant that the property to be registered is already occupied then the postal address for a new build will be registered on Royal Mail's reserved postal address 'Not Yet Built' database and will not appear on their website.

19. The National Land and Property Gazetteer (NLPG)

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- 19.1. The NLPG is the definitive address list that provides unique identification of properties (UPRN) and conforms to the British Standard, BS7666:2006. The NLPG covers the whole of England and Wales and contains more than 30 million residential, business and non-mailing addresses and is now marketed commercially.
- 19.2. The NLPG is a comprehensive and continually updated database, created by those with local knowledge in each local authority, the body with legal responsibility for street naming and numbering of property. As local authorities are the originators of addressing information an address dataset, developed and maintained at source by users of the data, will inevitably have the highest level of currency and completeness.
- 19.3. The Council is committed to this initiative through its own Local Land and Property Gazetteer (LLPG) which, together with the other local authorities in England and Wales, makes up the NLPG. Street naming and numbering is the single most important source of address change intelligence for the Council's LLPG and therefore NLPG.

20. Street Nameplates

- 20.1. Developers are responsible for the supply and installation of street nameplates for new streets, to the Council's specification (Appendix B)
- 20.2. The Council is responsible for the replacement and repair of street nameplates in its own administrative area. Nameplates will be erected and replaced whenever required, taking into account both financial restraints and requirement.
- 20.3. The Council has powers under the Public Health Acts Amendment Act 1907 to place or replace street nameplates on private property, if required.
- 20.4. Where a street is approached only from one direction, only one nameplate will be erected and this will face the direction of approaching traffic. Where a road can be approached from both directions, nameplates on either side of the junction will be erected. Nameplate(s) will also be erected at any junction or entrance onto the street.
- 20.5. The nameplates erected within the Sevenoaks District will be as per the nameplate specification. (See Appendix B)

APPENDIX A: Distribution List for Notifications

Sevenoaks DC address data is uploaded to the National Land and Property Gazetteer (NLPG) which is the basis of the Ordnance Survey's AddressBase products. As a result, it is disseminated to all subscribers to the product, on a timescale determined by the subscriber.

SDC sends notifications of new addresses and address changes directly to the following organisations:

Internal:

Electoral Register

Land Charges

Local Land and Property Gazetteer Custodian (LLPG)

Council Tax

Business Rates

Direct Services

Customer Solutions

External:

Kent Fire & Rescue

South East Coast Ambulance

Kent Police

Kent County Council Highways

Valuation Office

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Land Registry

Appendix B: Nameplate Specification

	SDC Nameplates Specification 2010
Rationale:	98% recycled plastic, no delamination, no scrap value, polyethylene easy wipe, UV resistant for 10 years
Plates:	Composite complete with channels
Plate depth:	150mm plus (can be easily adjusted)
Lettering height:	89mm Kindersley – primary text 50mm Kindersley – ‘LEADING TO’ 50mm Kindersley – secondary text
Lettering colour:	Black
Border size: Border colour:	12.5mm (can be varied) Black
Background colour:	White non reflective
Reverse colour:	Black
Symbols:	816.1 No Through Road Symbol to be 140mm deep. Arrows may be added.
Construction:	18mm thick 95% recycled plastic board with one piece construction, screwed to posts with 50mm x M6 stainless steel security screws
Finish:	Non-reflective, anti-graffiti film – Vinyl cut – GRF to face
Fixings:	4no. 76mm anti-rotational clips c/w sheer nuts
Supports:	Solid 75 mm dia. – 1350mm long x 2
Support finish:	Recycled plastic
Support colour:	Black

APPENDIX C: Legislation

Section 64: Town Improvement Clauses Act 1847

Houses to be numbered and streets named

“The commissioners shall from time to time cause the houses and buildings in all or any of the streets to be marked with numbers as they think fit, and shall cause to be put up or painted on a conspicuous part of some house, building, or place, at or near each end, corner, or entrance of every such street, the name by which such street is to be known; and every person who destroys, pulls down, or defaces any such number or name, or puts up any number or name different from the number or name put up by the commissioners, shall be liable to a penalty not exceeding [level 1 on the standard scale] for every such offence”.

Section 65: Town Improvement Clauses Act 1847

Numbers of houses to be renewed by occupiers

“The occupiers of houses and other buildings in the streets shall mark their houses with such numbers as the commissioners approve of, and shall renew such numbers as often as they become obliterated or defaced; and every such occupier who fails, within one week after notice for that purpose from the commissioners, to mark his house with a number approved of by the commissioners, or to renew such number when obliterated, shall be liable to a penalty not exceeding [level 1 on the standard scale], and the commissioners shall cause such numbers to be marked or to be renewed, as the case may require, and the expense thereof shall be repaid to them by such occupier, and shall be recoverable as damages.”

Section 21: Public Health Acts Amendment Act 1907

Power to alter street names

“The local authority may, with the consent of two-thirds in number and value of the ratepayers in any street, alter the name of such street or any part of such street. The local authority may cause the name of any street or any part of any street to be painted or otherwise marked on a conspicuous part of any building or other erection.”

Section 10: County of Kent Act 1981

Street Numbers

(1) A District Council may allocate to the buildings in a street in their district such numbers as they think fit.

(2) Where a number has, or numbers have, been allocated to a building under this

section or user section 64 of the Towns Improvement Clauses Act 1847, the District Council may serve on the owner or occupier of the building a notice requiring him within such a period, not being less than three weeks, as may be specified in the notice, to mark the building with that number, or those numbers, in such a way as to make the mark legible from the street.

- (3) The owner or occupier of a building shall -
 - (a) Maintain the mark in such a way that it remains legible from the street;
and
 - (b) Keep the view of the mark from the street unobstructed to such an extent as is practicable.

- (4) A District Council may alter the number or numbers allocated to a building, and where they do so subsections (2) and (3) above shall apply to the altered number or numbers.

- (5) A District Council may, instead of requiring a building or premises within the curtilage of a building to be marked with a number or numbers under this section, require it to be marked with such other means of identification as they may, at the request of the owner or occupier, allow, and Subsections (2) and (3) above shall have effect accordingly.

- (6) An owner or occupier of a building who without reasonable excuse -
 - (a) Fails to comply with a notice served on him under subsection (2) above;
or
 - (b) Contravenes subsection (3) above;shall be guilty of an offence and liable on summary conviction to a fine not exceeding £50.

- (7) The following provisions of the Towns Improvement and Clauses Act 147 shall cease to have effect in the County -
 - (a) In the words introducing sections 64 and 65, the words “and numbering the houses”,
 - (b) In section 64 the words from “ shall from time to time” to “think fit, and” the words “number or “ wherever occurring’
 - (c) Section 75.

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Item 7 - Community Lottery

The attached report was considered by the People & Places Advisory Committee on 30 November 2021. The relevant Minute extract was not available prior to the printing of this agenda and will follow when available.

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A COMMUNITY LOTTERY FOR SEVENOAKS DISTRICT COUNCIL

9 December 2021

Report of: Deputy Chief Executive, Chief Officer People & Places

Status: For Decision

Also considered by:

- People & Places Advisory Committee - 30 November 2021

Key Decision: Yes

Executive Summary COVID-19 has had a major impact on the voluntary and community sector both nationally and locally. With the voluntary and community sector receiving COVID emergency and recovery funding available until end of March 2022, there is concern about funding beyond that. A community lottery scheme would help facilitate fundraising for the sector. This report sets out the proposal to establish and operate a Sevenoaks District Community Lottery.

This report supports the Key Aim of: the Council's Community Plan

Portfolio Holder: Cllr. Lesley Dyball

Contact Officer(s): Jenny Godfrey x7112 Kelly Webb x7474

Recommendation to People and Places Advisory Committee:

To receive and endorse the recommendations to Cabinet.

Recommendation to Cabinet:

- (a) The establishment of a local community lottery is approved.
- (b) Approve the use of an External Lottery Manager that has worked with other Local Authorities running similar schemes for greater assurance.
- (c) Approve the eligibility criteria for good causes to participate in the Sevenoaks District Lottery.
- (d) The appointment of an External Lottery Manager (ELM) is approved, with the Deputy Chief Executive, Chief Officer People and Places and Deputy Chief Executive, Chief Officer Finance and Trading, given delegated responsibility to negotiate and finalise the agreement.
- (e) Authorise the Council's membership of the Lotteries Council in order to demonstrate best practice and to provide access to free membership services on legal and compliance issues.

Introduction and Background

1. As part of last year's budget process, at the People and Places Advisory Committee held on 6 October 2020, Members resolved that Officers should explore the Council running a community lottery. The item was subsequently added to the published work plan, requesting officers bring a report forward. Officers have worked with the Portfolio Holder for People and Places to explore the opportunity for the Council to establish a community lottery. This report is the result of the work undertaken.
2. The concept of a Sevenoaks District Community Lottery has been identified as a proven business model delivered in many other local authorities raising funds for local 'good causes'.
3. Local authorities have been able to set up community lotteries since legislation was passed in 2007. There are currently 67 local authorities licensed to run lotteries by the Gambling Commission and regulated under the Gambling Act 2005. It works by enabling good causes to help themselves with the local authority facilitating this by holding the operating licence in an umbrella manner.
4. The Council provides financial support to the Sevenoaks District voluntary and community sector through its Community Grants Scheme and other initiatives, supporting a number of aims of the Council's Community Plan.
5. A community lottery model has the potential to enhance and extend the Council's support, benefiting more local causes and residents. It extends the Council's support because a wider range of groups will be eligible to participate in the community lottery than are supported through the Community Grant Scheme. In addition, the community lottery model makes the Council the facilitator instead of the provider.

Society lotteries

6. Lotteries are a way for smaller organisations to raise income. They are regulated by the Gambling Act 2005. There are different types of lotteries available; this proposal falls within the category of 'society lotteries'.
7. Society lotteries are promoted for the benefit of a non-commercial society. A society is non-commercial and conducted for:
 - Charitable purposes;
 - The purpose of enabling participation in, or of supporting sport, athletics or a cultural activity;
 - Any other non-commercial purpose other than that of private gain.
8. There are two variants of society lotteries, the main difference being who issues the licence - local authorities permit small lotteries and the Gambling Commission permits large lotteries.

9. A large society lottery:
 - Has proceeds that exceed £20,000 for a single draw;
 - Has aggregate proceeds from lotteries in excess of £250,000 in any one year.
10. A small society lottery:
 - Does not have proceeds that exceed £20,000 for a single draw;
 - Does not have aggregate proceeds from lotteries in excess of £250,000 in any one year.
11. The proposed Community Lottery is considered as a large society lottery. Large society lotteries have been set up by other local authorities including Aylesbury Vale, Portsmouth City Council, Melton Borough Council, Gloucester City Council, Dover District Council, Blably District Council, Tunbridge Wells Borough Council, Tandridge Council and Hart District Council.
12. A local lottery such as the one proposed has a set of aims and unique selling point (USP) that resonates with supporters. This is because the scheme will focus on:
 - Delivering the proceeds locally - A district wide lottery that delivers benefits only to local causes, unlike any other provider - supporters can be assured that the proceeds will stay in the district.
 - Maximising benefits to the community - To bolster support and to help in continuing the good work the Council already does, there is a significant benefit being delivered to the voluntary and community sector. The proposal in this report has 50% of proceeds being given to good causes. Supporters will be offered the option of choosing a particular good cause.
 - Minimising costs - The appointment of an External Lottery Manager with a tried and tested digital platform enables the scheme to be largely self-financing.
 - Delivering winners locally - Whilst anyone can play, it is likely that supporters will be locally based and hence it is easier to maximise the value from winners' stories and thereby encourage more participation.
 - Facilitating a wider benefit - Whilst the lottery will help current funding of good causes, it will also enable local good causes to fundraise in partnership with the Council and hence enables the Council to help good causes to help themselves. It will also enable access to lottery-type funding which may not have been accessed due to barriers such as licensing, administration or ability to support such an endeavour.

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Proposal

13. The proposed delivery method entails a partnership with an existing deliverer of lotteries in the market place (an External Lottery Manager - ELM). This in effect means 'buying into' an existing lottery manager's products and as such the Council would be commissioning experts in the field to run the lottery. This ensures minimal risk to the council compared to trying to run a lottery directly as the ELM holds responsibility for the sale process, insurance of winnings etc. and is also licensed by the Gambling Commission to do this. The ELM is also able to act as a specialist advisor to the Council and provides necessary compliance training in the package.
14. The ELM will:
 - Manage the prize fund and associated insurance;
 - Build the website and provide marketing materials;
 - Get local good causes to sign up to the lottery and get their own webpage;
 - Ask good causes to encourage their supporters to buy tickets online;
 - Enable people to buy tickets per week and choose the cause they want to support;
 - Conduct the draw every Saturday night and notify the winners;
 - Distribute the funds to the local good causes every month and provide regular detailed reports to the Council;
 - Comply with all licensing requirements including any reporting.
15. There is a one-off set up fee for the adoption of the platform, but thereafter the arrangement is financed at the point of ticket sale as the ELM takes a percentage of the ticket price. It is therefore not technically a procurement.
16. The Council will not handle any transactions other than receiving its share of the income on a monthly basis. The Council will have a contract agreement with the ELM.
17. The lottery proposal will look to operate as follows:
 - £1 ticket per week with a weekly draw;
 - Only playable online;
 - Funded only via Direct Debit (no cash), rolling monthly card payment, or block ticket purchase with single payment for 3, 6 or 12 months;
 - 6 number self-selected ticket;

- Delivered via an ELM.
18. Research shows that some council lotteries work on a minimum play of one ticket per week for a minimum 4 week subscription or one off 5 week payment. This is taken monthly from the supporter's account, and thus equates to a minimum monthly expenditure for the supporter.
 19. It is clear that the ticket price has a significant bearing on the success of the lottery. A high ticket price reduces the administration costs, which in turn leaves more money available for good causes.
 20. Aylesbury Vale District Council's proposal for a community lottery concluded that research indicates there is a significant drop-off in the take-up rates (up to a potential 69% less participation, equating to around 50% less revenue) if a ticket is priced at £2 instead of £1.
 21. A high ticket price also has the potential to reduce participation due to resistance to the (inaccurate) perception that council would be generating 'profit' from charitable enterprise.
 22. It is the research into the public perception of appropriate lottery ticket pricing that is the most significant factor to consider when selecting a preferred model for the lottery. A £2 entry would also place the model in direct competition with the National Lottery.
 23. Consultation with an ELM running over 80 lotteries for local authorities, schools, charities, unions and societies has found that the estimated percentage of eligible population participating is between 0.5% and 1.6% with the average number of tickets bought per supporter per week being 1.8. Table 1 below shows the income that could be generated dependent upon the number of supporters and what this number of supporters is as a percentage of the Sevenoaks District's 16 years and over population (96,300 based on 2019 NOMIS data). Although it should be noted that you do not have to live in the area to play the lottery - family members/friends etc. living in other parts of the country are able to play, which does increase the scope.

Ticket Price	% of SDC Supporter population	No. of Supporters	Tickets bought per week	No. of weeks	Gross Return	Good Causes (50%)	SDC Admin. (10%)	Prizes (20%)	External Lottery Manager Organisation (17%)	VAT (3%)
£1	0.5%	482	Av. 1.8	52	£45,115	£22,557	£4,512	£9,024	£7,669	£1,353
£1	1.0%	963	Av. 1.8	52	£90,137	£45,069	£9,014	£18,028	£15,323	£2,704
£1	1.6%	1,541	Av. 1.8	52	£144,238	£72,119	£14,424	£28,848	£24,520	£4,327

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24. As can be seen in the Supporter Modelling table above, if the scheme achieves 0.5% (equating to 482 supporters) take up of the district's supporter population with each supporter purchasing the average 1.8 tickets (see point 23) per week it could be generating gross sales of £45,115 per annum. If it achieves 1%, it would generate £90,137 per annum and 1.6% would generate £144,238. It is difficult to predict the level of income generation, but it is known that for those councils consulted with, the average net return for good causes ranges from between £30,000 and £40,000 per annum (see Appendix B). In addition, Tunbridge Wells and Tandridge Councils achieved total gross incomes of £55,405 and £139,262 respectively in their first year. They are in their 5th and 4th year of operation respectively and a breakdown of their projected figures for their current year is set out in Table 2 below. With Tandridge having less eligible supporter population, the difference in income generation is attributable to the number of good causes participating and their success at publicising to and reaching their own supporters.

Local Authority Lotteries	Players	Weekly Tickets	Ave Tickets/ player	Causes	Population	POP Avg	Annual ticket Sales (Gross Return)
Tunbridge Wells July 2021 to July 2022 (5 th year)	606	1,156	1.91%	74	95,325	0.60%	£60,112
Tandridge Together March 2021 to March 2022 (4 th year)	1,101	2,281	2.07%	168	70,585	1.60%	£118,612

25. Distribution of proceeds from each ticket sold is proposed below:

	% allocation	£ allocation per ticket	Comment
Good causes	50	£0.50	This is far in excess of the minimum (20%) required by the legislation governing lotteries and other popular lotteries (National Lottery 25%; Postcode Lottery 32%; and Health Lottery 20.3%).
Prizes	20	£0.20	To fund prizes of £1,000 and below.
ELM	17	£0.17	To pay for the External Lottery Manager's running costs including the cost of the insurance policy they will hold for funding the top prize of £25,000.
SDC	10	£0.10	To cover the annual Gambling Commission licensing fee, Lotteries Council membership and marketing. The Gambling Commission permits the local authority to use net proceeds of such lotteries for any purpose for which they have the power to incur expenditure. Any remaining funds will be allocated to the Sevenoaks District LSP Community Wellbeing Fund (see paragraph 36).
VAT	3	£0.03	
Total	100	£1.00	

26. The prize structure offers supporters the opportunity to win prizes of up to £25,000. The odds of winning the 'grand prize' are the same as this is an insured prize and supporters select their numbers of choice.
27. The prize structure and odds for the draws are set out in the table below:

	Winning odds	£ prize
6 numbers	1,000,000:1	£25,000
5 numbers	55,556:1	£2,000
4 numbers	5,556:1	£250
3 numbers	556:1	£25
2 numbers	56:1	3 free tickets

28. There are no financial implications to the Council if ticket sales drop and no minimum number of tickets to sell. The ELM will manage the prize fund and any associated insurance so the Council will not be exposed to any risk. The contract with the ELM will be for an initial term of 12 months with the provision to give 3 months' notice to terminate after this initial term. If ticket sales were so low in the first 9-months that it was projected that gross sales would not enable the Council to cover its Year 2 onward costs, three months' notice could be given and the contract would end after one year. The Council would then not renew its licensing or need to pay for marketing.
29. Whilst the business model identifies the operating costs picked up by the ELM and taken from ticket sales there are still costs that fall to the Council. The table below sets out the approximate set-up and operating costs. The set-up costs will be partly funded by a £4,163 grant from Kent County Council's Covid Outbreak Management Fund (COMF) and from the Health and Communities 2021/22 budget. The ongoing costs will be funded from the 10% proceeds apportionment to the Council (see paragraph 25 above).

Requirement	Year 1 Cost (estimated)	Year 2 ongoing Cost (estimated)
Remote Society Operating Licence Annual Fee (based on proceeds from lottery being under £100k per annum & a first-year 25% discount on full cost of £348)	£261	£348 or £692*
Remote Society Operating Licence Application Fee (based on proceeds from Lottery being under £100k per annum)	£147	£147 or £220**
Lotteries Council Membership	£385 (only £199 paid at time of applying for Operating Licence)	£385
External Lottery Manager Organisation set up costs	£5,000 plus VAT	
Marketing and Promotional materials and activity		£3,000
Total	£5,793*** plus VAT	£3,880 or £4,297****

*The cost of the Remote Society Operating Licence annual fee is dependent on the annual proceeds from the lottery. Where proceeds are up to £100k per annum, the annual fee is £348. For proceeds between £100-500k, the annual fee increases to £692.

**Cost of application fees dependent on annual proceeds from lottery. £147 for up to £100,000. £220 for £100,000 to £500,000.

*** Year 1 costs will all be funded from a £4,163 grant from the Kent County Council Covid Outbreak Management Fund (COMF) and the Health and Communities team budget

****Funded by the Community Lottery proceeds apportionment - see paragraph 25 of this report.

30. All other administration costs, website costs, hosting etc. are borne by the ELM. This includes handling all financial transactions in a similar manner to

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that which a conveyancing solicitor holds money for clients. The top prize is an insured sum and the prize fund pot is built over time to cover all other winnings. If the prize fund pot was to grow unnecessarily large the scheme can hold additional prize draws to ensure distribution in accordance with the licence. Prize funds cannot be used for any other purpose.

Good causes

31. The Council will be responsible for approving the applications of those good causes wishing to sign up to the community lottery. The aim will be to enable a wide range of organisations and groups to apply to sign up including charities, clubs, associations, societies, community interest companies, social enterprises and schools (for extracurricular activities that benefit the wider community).
32. The following groups will be eligible to register as a local good cause with the Council's Community Lottery provided they meet the terms and conditions set out in paragraphs 33 to 36 (inclusive) below:
 - Charities
 - Clubs
 - Associations
 - Societies
 - Community Interest Companies
 - Social Enterprises
 - Schools may apply for extracurricular activities that do not form part of the core offer provided by the school and that benefit the wider community.
 - Churches and faith groups may only apply for projects that are open to the wider community where the primary aim of the project is not to promote any religion or faith.
33. Eligible local good causes must:
 - Agree to work with the appointed ELM (responsible for managing the Council's Community Lottery) to ensure full compliance with the Community Lottery scheme.
 - Operate within Sevenoaks District, providing facilities, activities or services for the benefit of its residents.
 - Be able to demonstrate the service it is providing by giving details of its activities and the number of beneficiaries in the Sevenoaks district.
 - Have a committee of board of decision makers, a constitution and a bank account.
 - Actively promote equality and safeguarding within its structure and operations.
 - Have spent all previous funding received from Sevenoaks District Council in accordance with the funding award conditions attached to them.

34. The following will not be eligible to join the Council's Community Lottery as a local good cause:
- Any organisation that the Council deems to be a political party, has the nature of a political party, or is engaged in campaigning for a political purpose or cause.
 - Groups that do not benefit Sevenoaks District residents.
 - Individuals.
 - Organisations which aim to distribute a profit.
 - Organisations with no established management committee/board of trustees.
35. When registering to become a local good cause, the groups need to agree to:
- Nominate a lead individual in their organisation responsible for working with the ELM and where necessary the Council to actively and appropriately promote the Council's Community Lottery using the marketing materials provided.
 - Wherever possible, acknowledge the funding from the Council through the Council's Community Lottery in its marketing materials.
 - Inform the Council immediately if the group intends to disband, changes its aims, legal status or any other policy that may affect its eligibility for the scheme.
36. In addition to these good causes, supporters will be given the option to choose the Sevenoaks District Local Strategic Partnership (LSP) Community Wellbeing Fund as a good cause when purchasing lottery tickets. Other local authorities manage their community lotteries in this way to enable a supporter without allegiance to a particular good cause to support voluntary and community sector led projects being delivered in the district. The Sevenoaks District LSP Community Wellbeing Fund will be included as a good cause option on the following basis:
- It is an existing funding scheme managed by the Sevenoaks District LSP, which whilst coordinated by the Council is made up of public sector organisations together with voluntary, community and faith sector representatives. The appraisal panel for the funding applications includes the Council's Deputy Chief Executive and Chief Officer People & Places; the Chair of the Sevenoaks District Voluntary Sector; the CEO of West Kent Mind and CEO of COMPAID.
 - The Sevenoaks District LSP supports the Community Plan which creates a long-term partnership vision for the Sevenoaks District and sets out community priorities for action.

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- The Sevenoaks District LSP Community Wellbeing Fund supports capital and revenue projects that contribute to these community priorities. As such, income from the Council's Community Lottery allocated to the Sevenoaks District LSP Community Wellbeing Fund will be spent where the need is assessed as greatest.
- The Sevenoaks District LSP Community Wellbeing Fund is open to applications twice yearly from all voluntary groups, community groups, statutory bodies and other not-for-profit organisations providing services within the Sevenoaks District that benefit residents in the district.
- Appendix C sets out the criteria used by the Sevenoaks District LSP when awarding Community Wellbeing Fund grants.

Gambling

37. Lotteries are the most common type of gambling activity across the world and considered to be a 'low risk' form with respect to the emergence of problem gambling. This is due to its relatively controlled form. The proposed Lottery scheme will help mitigate against many of the issues related to addictive gambling by:
- Being only playable via direct debit (no cash) and by pre-arranged sign up;
 - There is no 'instant' gratification or 'instant reward' to taking part;
 - There will be no 'high profile' activity surrounding the draw;
 - The Lottery website will contain a section providing links to gambling support organisations.
38. Due to these factors, it is not anticipated that a Council-run Lottery would significantly increase problem gambling, and the benefits to good causes in the district from the proceeds of the lottery would outweigh possible negative issues.

Next steps

39. If this scheme is approved, the Council will need to appoint an ELM. Although most other local authorities have used and recommended the organisation Gatherwell, the Council will approach other ELM organisations to get a comparison.
40. The Council would need to undertake the licence application process. The ELM will provide assistance with template policies to accompany the licence as well as the production of a Communications and Marketing Strategy and with the launch to good causes and subsequent ticket sales.
41. The Gambling Commission currently has a turnaround target of 16 weeks for new applications, but during this time the ELM is able to develop the

platform bespoke to the Council (a name would need to be chosen and website name secured) and complete project implementation based on ticket sales planned from estimated date for award of the licence.

42. If Cabinet approval is sought in late 2021, it is estimated a launch could be achieved for Spring/Summer 2022. An indicative, but not final timescale is attached as Appendix A.

Consultation with other local authorities

43. Four local authorities currently running community lotteries were contacted and asked a series of questions about set up and management. One local authority who were unsuccessful in running a community lottery and did not use Gatherwell as its ELM was also contacted. The full results from this consultation are included at Appendix B but in summary the key matters arising were:

- All four local authorities consulted use Gatherwell as their ELM. However, Gatherwell do have competitors and the Council will therefore approach other ELM organisations to get a comparison. Existing Council officers will complete this. The Gambling Commission requires that ELMs are licensed and registered with them so the Council will ensure this is a requirement in the tender documentation.
- It was reported that to set up and launch their community lottery required more officer time than for running it. Based on the consultation, the Council has timetabled for officer time of 1 day per week for a six-month period to allow for the set up (including to appoint the ELM) and launch and 1 day per month thereafter to promote the lottery and pass any queries received to the ELM. This scheme will be managed and monitored by the Health and Communities Manager and team using existing staff.
- Local authorities establishing and running a community lottery conclude that this is ethically no different to the local authority applying for funding generated through lotteries for projects (i.e. the National Lottery). Lotteries are the most common form of gambling activity and are considered to be low risk in respect of problem gambling due to their relatively controlled format. However, it remains essential that measures are taken to ensure that a community lottery is implemented and run appropriately. The Council will share information about gambling responsibly and the Safeguarding Group will monitor this issue. The Council will also appoint a fully experienced ELM that is trained to be able to manage any issues relating to problem gambling and mitigate against many of the issues related to addictive gambling by making the lottery:
 - playable only on-line via registered sign up and by non-cash methods;
 - have no instant gratification or instant reward involved;

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- be fully compliant with the Gambling Commissions licensing code of practice;
- restrict the tickets to a maximum of 20 per supporter.
- Similarly to the other local authorities consulted, the Council will become a member of The Lotteries Council initially paying £199 to become a provisional member whilst in the process of applying for a lottery licence from the Gambling Commission. Once licensed the Council will pay an additional £186 for full membership. Thereafter the annual membership fee is £385. The benefits of this membership include: access to updates on current market sector activities; free consultation with solicitor specialising in gambling and licensing advice; VAT and Taxation Specialist; Data Protection Adviser; free IBAS (betting adjudication service) dispute resolution service; use of various logos on marketing materials. In addition, the Lotteries Council make a group payment to GambleAware an independent grant-making charity using best practice in commissioning assessment, planning, evaluation and outcome reporting to support effective, evidence-informed, quality assured prevention of gambling harms.
- One key lesson learnt that was identified by several of the five local authorities was the need to take time to engage with local good causes to secure enthusiastic leads that know how the lottery works such that they can continuously promote it. One local authority decided to close the community lottery they had implemented with ELM Hive Lotto after 2 years due to poor marketing and low sales. The Council will therefore use the Sevenoaks District Voluntary Sector Forum to start this engagement and work with the appointed ELM and the Council's Communications Team to develop and implement a sustainable marketing strategy.

Other options considered

44. In considering the report, Cabinet can choose to:

- i) Do nothing
- ii) Deliver in house
- iii) Deliver through external partner

i) Do nothing Under this option, the status quo remains, with no lottery in place.	
Strengths	Weaknesses
The Council continues to reap the benefits of the status quo. These include good PR for helping	The Council may be faced with the future financial challenge to keep offering discretionary funding at

<p>i) Do nothing Under this option, the status quo remains, with no lottery in place.</p>	
<p>community groups, attracting more money into the organisations and thus the district.</p>	<p>the current level, unless they choose to prioritise it at the expense of other, potentially key services. There is no planned alternative to assist with the funding of these types of activities in the medium - long term.</p>
<p>ii) Deliver in-house This option would require the establishment of the necessary posts and systems to run a lottery in house. This has not been fully costed, but it is considered somewhere in the region of a £100-120k for set-up costs alone. This would include a lottery manager and the necessary development of software systems to enable the lottery to run. The Council also need to secure the relevant insurance to cover lottery prizes.</p>	
<p>Strengths</p>	<p>Weaknesses</p>
<p>The Council could keep supporting community causes thus continuing towards delivering corporate objectives.</p> <p>There could be a comfortable fit with the commercial approach of going into new territory and looking for alternative ways of working.</p>	<p>The Council does not have the internal expertise to set up the software for an online lottery. This would have to be brought in at commercial rates. The Council would need to develop a completely new area of operation for the lottery. This would involve at the very least a lottery manager and support assistants as well as having to source software to run the lottery itself and associated operating costs.</p> <p>No experience at all in this field and so no knowledge of how to deal with potential difficulties.</p> <p>There could be a negative perception from the public and charities that the Council is potentially trying to take business from good causes.</p> <p>There could be a negative perception from the public that</p>

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<p>i) Do nothing Under this option, the status quo remains, with no lottery in place.</p>	
	<p>they already pay their council tax.</p>
<p>iii) Deliver through external provider This option would see a partnership with an existing deliverer of lotteries in the market place (an External Lottery Manager - ELM). This in effect means 'buying into' an existing lottery manager's products.</p>	
<p>Strengths</p>	<p>Weaknesses</p>
<p>The Council would be commissioning experts in the field to run the lottery which would be much lower risk - less chance of malfunctioning, legal errors etc.</p> <p>An ELM takes care of complexities around lottery licences etc.</p> <p>The Council could keep supporting community causes thus continuing towards delivering corporate objectives.</p> <p>Positive PR for the Council brand.</p> <p>This may be a more comfortable fit with the commercial approach than option ii) above, as it would be less costly and very low risk and could also be a strong example of partnership working.</p>	<p>The ELM will take a percentage of the ticket price.</p> <p>There could be a negative perception from the public and charities that the Council is potentially trying to take business from good causes - although in part this is mitigated by using an ELM.</p> <p>There could be a negative perception from the public that they already pay their council tax and the Council is trying to take more of their money.</p>

45. Taking into account the above analysis, this business case concludes that the best option is iii) Delivery through an external provider. This is primarily due to the now proven business model and delivery method with other councils as well as the minimised investment and risk.

Key Implications

Financial

The Council has been successful in a funding bid to the Kent County Council COVID Outbreak Management Fund (COMF) for £4,163 towards the initial set-up costs and the remaining £1,630 plus VAT and ongoing running costs will be paid via the

Health and Communities budget. The Kent County Council COVID Outbreak Management Fund (COMF) grant would need to be spent by 31 March 2022.

Legal Implications and Risk Assessment Statement

Two responsible Officers will need to be appointed to hold the licence and submit the necessary Remote Society Operating Licence application to the Gambling Commission, with responsibility for making these appointments delegated to the Deputy Chief Executive, Chief Officer People and Places in consultation with the Council’s Head of Legal and Democratic Services.

The contract between the Council and the ELM will have contractual liabilities. It is understood that the ELMs use standard terms and conditions for their services and it is known that other local authorities have found them acceptable. The Council will ensure that its Legal Department are fully involved in the appointment and contract negotiation process to ensure that all contractual liabilities taken on are acceptable.

The contract to be agreed with the ELM will cover statutory obligations, including Child Safety, Equalities and Safeguarding policies. It will also encompass the issue of gambling responsibly. In addition, the Council will share information about gambling responsibly and this risk will be monitored by the Safeguarding Group.

The contract to be agreed with the ELM will include a requirement on them to maintain an up-to-date risk assessment relating to the provision of the service and make this available to the Council.

Risk and Benefits analysis

	Risk	Benefits
Financial	<ul style="list-style-type: none"> • This is a potentially low-risk scheme, which requires low investment, to cover officer time and external implementation support, initial licence fees and annual licence fees. Running a lottery in partnership with an ELM, it is estimated that ongoing costs would not exceed £5,000 per annum. • The contract with the ELM would include provision to terminate with 3 months’ notice if tickets sales are not projected to be high enough to cover the Council’s year 2 and onward costs. • However, this risk would only be low if the lottery is run in partnership with an ELM; if it 	<ul style="list-style-type: none"> • Staff costs would be reduced if the Council chooses to operate a lottery with an external lottery manager - ELM. This option would mean the Council would facilitate self-help for community groups wishing to fundraise. A percentage of the ticket price goes directly to good causes, similar to other lotteries that operate.

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	Risk	Benefits
	was to be run in house, the risks in terms of investment could be extremely high.	
Reputational	<ul style="list-style-type: none"> • There is the possibility of damage to the council's reputation, in the unlikely case that the lottery becomes connected to corruption or avoidable failure (i.e through poor marketing). • The Council's reputation could also be damaged in the event that it launches the lottery and has to close it due to lack of interest. (However, the Council could still argue it tried to do something in difficult circumstances). • There could also be a negative reaction from residents who may perceive the lottery to be a stealth tax, as they already pay their council tax. 	<ul style="list-style-type: none"> • The Council has a reputation as a dynamic council which leads the way. If the Council chooses to operate a lottery with an experienced ELM they will jointly promote it as a facilitation of community fundraising in a difficult economic climate, particularly in light of Covid-19. • The key message communicated about a lottery would be that is empowering and enabling communities to help themselves.
Political	<ul style="list-style-type: none"> • Discretionary giving is something that has come to be part of what councils do and has come to be depended on by different pockets of the wider community. It not only creates a degree of prestige for the organisation but also individual members who support those causes and sit on decision panels. Some of this impact could be lost. 	<ul style="list-style-type: none"> • The proposed eligibility criteria for good causes means that a lottery would deliver the benefits for the local community. • Giving to good causes brings prestige to members serving their communities. A lottery could enable similar prestige.
Commercial	<ul style="list-style-type: none"> • Some critics may perceive this idea to encourage gambling, which, in extreme cases, could lead to addiction and is not something a council should be doing. 	<ul style="list-style-type: none"> • There are already a number of charity and local authority run lotteries and this does not appear to be a problem. If the Council chooses to use an experienced ELM, they do

	Risk	Benefits
	<ul style="list-style-type: none"> • With 185,000 charities in the UK, it could be a risk to set up another avenue of charitable giving. The Council could also be criticised for taking business from other charity lotteries. However, the proposed option gives local good causes a potentially more effective facility with which to fundraise, rather than labour-intensive raffles etc. and would be giving opportunities to smaller groups. 	<ul style="list-style-type: none"> • not promote gambling in a hard-hitting way; the emphasis is on helping the community. • For participants there is a much higher probability of winning the jackpot, compared to the national lottery. • With the growth in technology, operating an online lottery would provide multiple opportunities to access potential supporters and for them to easily participate (using a range of digital devices). • A Community Lottery would give more to good causes than, say the national lottery. • Camelot, the best known lottery provider, is seen as a successful commercial company. The lottery has the potential to have positive commercial associations.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this report directly impact on end users. The impact has been analysed and does not vary between groups of people. The scheme has the potential to positively impact people with protected characteristics¹, as they are likely to benefit from services or activities provided by the good causes. However, until community groups sign up to the scheme, we won't know which people with protected characteristics will most likely benefit.

¹ As defined in the Equality Act 2010, relates to a persons: Age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity

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People without a bank account or payment cards may feel excluded as they will be unable to take part. However, officers consider this a proportionate approach to achieving a legitimate aim, which in this case is to reduce the risk of gambling addiction. We expect a cautious response from religious groups who may not agree with gambling as a method of raising income. However, marketing the scheme with the promotion of good causes as its focus should help to remove concerns. The results of this analysis are set out immediately below.

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The Contract to be agreed with the ELM will include obligations on the ELM to comply fully with the Council's commitment to ensuring that the service is non-discriminatory and that residents can access the service taking account of any vulnerability.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	The Sevenoaks District Community Lottery will raise funds for local causes that support and promote equality of opportunity to some of the most vulnerable residents.
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No negative impacts identified

Procurement

The consideration is that we are effectively buying into an existing and working model (via a contract with an ELM), rather than establishing our own team that runs the lottery in-house.

Resources (staffing)

This is a new area of work, but it is envisaged that it can be incorporated within existing staff resources within Health and Communities.

Conclusions

As part of last year's budget process, at the People and Places Advisory Committee held on 6 October 2020, Members resolved that Officers should explore the Council running a community lottery. The item was subsequently added to the published work plan, requesting officers bring a report forward. Officers have worked with the Portfolio Holder for People and Places to explore the opportunity for the Council to establish a community lottery. This report is the result of the work undertaken.

A society lottery of the type proposed in this report has now been successfully implemented by many other local authorities. We are aware of 80 local lotteries being run successfully by Gatherwell. These include South Oxfordshire, Aylesbury Vale, Oxford City and West Berkshire. However, we have also spoken with a local authority, which closed the community lottery it had implemented by another ELM after 2 years due to poor marketing and low sales.

The delivery of a society lottery in Sevenoaks District could enable local community groups to access and benefit from a nationally recognised funding model originally developed by Aylesbury Vale District Council in partnership with an external lottery manager. It would also provide a way in which the council can provide further support to the local voluntary and community sector without putting additional pressure on its finances.

However, the key risk to the success of this scheme is that people don't buy tickets to support their chosen good causes. It is imperative that a certain level of marketing is undertaken and the ELM have built in marketing support tools in the operating platform for local good cause administrators to be able to maintain promotions.

The report recommends a certain level of marketing by the District Council as the Promoter as well as building reputation for helping good causes and creating local winners through good news story coverage and press releases. The Gambling Commission are the regulators of the scheme which ensures that the Council's reputation is protected.

The proposal to introduce an online lottery that funds good causes throughout the district and helps external organisations to raise additional funds could therefore, be seen as a positive move forward, which can also encourage community funding. However, members are asked to consider all risks and benefits analysed as part of this report.

Appendices

Appendix A - Implementation Plan

Appendix B - Results of Consultation with other Local Authorities

Appendix C - Criteria used by the Sevenoaks District LSP when awarding Community Wellbeing Fund grants

Background Papers

N/A

Sarah Robson

Deputy Chief Executive & Chief Officer People & Places

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Appendix A - Community Lottery Implementation Plan - example timeline

Activity	Start Date	End Date
SMT	17 August 2021	17 August 2021
PPAC	30 November 2021	30 November 2021
Cabinet	9 December 2021	9 December 2021
Voluntary and Community Sector Engagement	January 2022	Continues throughout running of Community Lottery.
Appointment Process for External Lottery Management Organisation	January 2022	1 st March 2021
Application for Remote Society Lottery Licence and Personal Management Licence	1 st March 2022	1 st September 2022
External Lottery Management Organisation to develop website bespoke for Sevenoaks District Council	1 st March 2022	1 st September 2022
Take out membership of Lotteries Council	August 2022	September 2022
Launch Community Lottery	1 st September 2022	

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Appendix B - Community Lottery - Results of Consultation with Local Authorities

Local Authority	Date Lottery set up	Costs and timescales for set up	Cost and Council staff cost for running lottery	Details of tendering for External Lottery Manager	Minimum number of tickets that Council obligated to sell?	Net Funding raised for local good causes	Lessons learnt
Dover District Council	Early 2019	6 months' to set up. Costs not provided	Costs not provided. Staff time: 1 day a week for 6 months' whilst setting up and 1 day a month after launch	Appointed Gatherwell as External Lottery Manager (ELM) Organisation	No minimum	£38k per year	Gatherwell highlighted as an experienced ELM. Get as many listings of local good causes as possible involved and on the website as this assists with ticket sales. Important to undertake community group engagement.
Blably District Council	January 2018	Less than one-year to set up. Paid one off cost of £3,000 plus VAT to External Lottery Manager	1 day a week during set up and launch. Less after launch.	Appointed Gatherwell as External Lottery Manager Organisation	No minimum	£30k (this is net)	Gatherwell highlighted as an experienced ELM. Need to keep promoting it! Important to get the right kind of organisations signed up with an enthusiastic lead who will promote it within their organisation. Worth investing time to make sure they know how it works.
Tunbridge Wells Borough Council	July 2017	Approximately £3,000 one off set up cost. 6 months to set up.		Appointed Gatherwell as External Lottery Manager Organisation	No minimum	Over £100k since 2017 (£33,000 average per annum)	Gatherwell highlighted as an experienced ELM.
Hart District Council	2017	£4,300 one off set up cost which includes set up cost to External Lottery Manager; £1,000 license and £385 membership		Appointed Gatherwell as External Lottery Management Organisation			Gatherwell highlighted as an experienced ELM. Need to promote lottery. Allowed £2,000 per year for this - obtained from small % of ticket sales.

Local Authority	Date Lottery set up	Costs and timescales for set up	Cost and Council staff cost for running lottery	Details of tendering for External Lottery Manager	Minimum number of tickets that Council obligated to sell?	Net Funding raised for local good causes	Lessons learnt
		to Lotteries Council					
Tonbridge & Malling Borough Council	2016			Appointed Hive Lotto			Closed Community Lottery 2018 due to poor marketing and low ticket sales. Hive Lotto highlighted as an inexperienced ELM.

Appendix C

**Community Lottery - Good Cause Sevenoaks District Local Strategic Partnership
Community Wellbeing Fund**

Where community lottery supporters choose the Sevenoaks District Local Strategic Partnership (LSP) Community Wellbeing Fund as their 'good cause', any income generated will contribute to the existing Sevenoaks District LSP Community Wellbeing Fund.

The Sevenoaks District LSP Community Wellbeing Fund is co-ordinated by the Council and made up of public sector organisations together with voluntary, community and faith sector representatives. The Sevenoaks District LSP supports the Community Plan which creates a long-term vision for the Sevenoaks District and sets out the community's priorities for action. The Sevenoaks District LSP Community Wellbeing Fund supports capital and revenue projects which contribute to the priorities set out in the Community Plan. The current criteria and priorities for the Sevenoaks District LSP Community Wellbeing Fund is set out below.

Criteria for funding

1. The fund is available for voluntary groups, community groups, statutory bodies and other not-for-profit organisations providing services within the Sevenoaks District which benefit residents of the district.
2. Applications can be for a maximum of £2,500 for revenue projects and £5,000 for capital projects.
3. In special circumstances and where applicants can demonstrate the additional value, projects may be awarded grants over a period of two years.
4. Organisations / projects can submit a maximum of 2 applications in any financial year (April - March.)
5. Applications can only be accepted on the fund's application form. All questions should be completed and all requested information provided.
6. Partnership projects are encouraged, but the lead agency in terms of accountability must be made clear on the application.

What can the fund support?

The fund can support capital and revenue projects which contribute to the priorities as set out in the Sevenoaks District Community Plan.

Projects must achieve **all** of the following:

- ✓ Help to deliver at least one of the Local Strategic Partnership priorities set out in this guidance.
- ✓ Demonstrates that projects are clearly targeted at promoting recovery from the impact of COVID-19.
- ✓ Provide demonstrable benefits for residents of the Sevenoaks District.
- ✓ Provide services within the Sevenoaks District.
- ✓ Be able to provide evidence that the project has achieved its objectives.
- ✓ Supports the most vulnerable residents in our community.
- ✓ Demonstrates that it supports equality and diversity.

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When can I submit my application and when will I be informed?

There will be two funding rounds per financial year during June and November. Deadlines for submission will be advertised in January of each year.

Community Plan Priorities

Brief details about the priorities for funding agreed by the Sevenoaks District LSP are outlined below. A full copy of the Community Plan can be found on the Sevenoaks District Council website www.sevenoaks.gov.uk/communityplan

Priority 1	Mental Health and wellbeing	
Priority 2	Young people 0-25, including project contributing to improving skills and reducing NEETs	
Priority 3	Addiction and Recovery	
Priority 4	Digital Inclusion	

How are applications assessed?

- Applications must demonstrate that they meet the criteria for funding.
- Applications to the fund can be submitted at any time and will go to the next meeting of the Sevenoaks District LSP Community Wellbeing Fund Appraisal Group (Community Wellbeing Fund Appraisal Group) for appraisal.
- The Community Wellbeing Fund Appraisal Group is a multi-agency group which reports to the Sevenoaks District LSP and which will aim to meet a minimum of four times a year before Sevenoaks District LSP meetings.
- The Community Wellbeing Fund Appraisal Group is made up of the Council's Deputy Chief Executive and Chief Officer People & Places; the Chair of the Sevenoaks District Voluntary Sector; the CEO of West Kent Mind and CEO of COMPAID.
- The Community Wellbeing Fund Appraisal Group will have delegated authority by the Sevenoaks District LSP to make grant decisions. All grant decisions will however be reported to the Sevenoaks District LSP.
- All applications will be acknowledged within five working days and the applicant notified of the next Community Wellbeing Fund Appraisal Group meeting.
- All applications will be appraised against the criteria set out in these guidelines and applicants will be notified as soon as possible.
- Grant payments will be issued in advance of the project commencing as soon as possible after the grant has been approved.

Conditions of funding

- Specific monitoring requirements will be set out in the grant offer letter.
- The grant must be used solely for the purpose outlined in the application.
- Any unspent funds must be returned to the Sevenoaks District LSP.

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- The project should be completed within 12 months of the grant being paid, unless an extension is agreed in writing.
- The project must recognise the grant from the Sevenoaks District LSP in any publicity and promotional material.
- The project must complete and return an evaluation form to the Sevenoaks District LSP within 6 weeks of the completion of the project, including evidence of expenditure and feedback from beneficiaries.
- The Community Wellbeing Fund Appraisal Group reserves the right to suspend a project and recover all or part of the grant in the following situations:
 - Non-compliance with the terms and conditions of the grant as set out in the Guidelines and grant conditions.
 - A fundamental change to the project (as submitted) has been made without the prior consent of the Community Wellbeing Fund Appraisal Group
 - The delivery organisation is no longer capable of delivering the project.
- In the event of national COVID-19 related lockdowns or movement limitations beyond the control of the Council or the grant recipient that will affect delivery, the grant recipient will be expected to inform Sevenoaks District LSP at the earliest opportunity of the expected impact and any mitigation measure that are possible and safe. Sevenoaks District LSP will expect to make reasonable adjustments to monitoring requirements by mutual agreement.
- It should be noted that for the purposes of this grant fund, capital funding applied for needs to be for a benefit that lasts for more than a year. This could include equipment, IT infrastructure and software licenses.

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Sevenoaks District Local Strategic Partnership Community Wellbeing Fund Application Form

1. Name of your organisation

--

2. Type of organisation:

Registered Charity - please include number:	
Community Group	
Social Enterprise	
Statutory body	
Company interest company	
Limited by guarantee company (not for profit) - please include number:	

3. Please confirm that your organisation has the following:

Constitution	Yes/No
Bank Account	Yes/No
Equality Policy	Yes/No
Health and Safety Policy	Yes/No
Safeguarding policy that covers children and young people	Yes/No
Safeguarding policy that covers vulnerable adults	
Do all staff and volunteers working directly with children, young people or vulnerable adults have Enhanced DBS checks?	Yes / No

If yes, please provide copies of the documents.

4. Does the organisation have any quality marks or other awards? Please give details here.

--

5. Your name and position in the organisation / group

--

6. Your contact details

Address:
Phone:
Email:
Website:
Social Media:

7. Briefly describe the project which the grant will fund. Include where the project will be delivered, who will benefit and how they will benefit and how you know there is a need for the project (maximum 300 words.)

8. Please give more details about the people who will benefit from your project, the planned project start and end date and project evaluation:

How many people in total will benefit?	
Will your project be working with a particular age group? Please specify	
Where in the Sevenoaks District will your project be delivered?	
Planned project start and end date	
Do you plan to evaluate the project and share results? If not how will you measure success?	

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9. Finances - please give a breakdown of how the grant would be spent.

Revenue Costs

Item / Activity	Amount £
Total amount of revenue costs requested	

Capital Costs

Item / Activity	Amount £
Total amount of capital costs requested	

Total overall amount of capital costs requested	
--	--

If the total cost of your project is greater than the amount requested, please give details of where the other funding will come from and whether or not this has been received.

10. Which of the agreed Local Strategic Partnership priorities will your project help deliver (tick all which apply.)

Priority 1	Mental Health and wellbeing	<input type="checkbox"/>
Priority 2	Young people 0-25 years, including skills and NEETs	<input type="checkbox"/>
Priority 3	Addiction and Recovery	<input type="checkbox"/>
Priority 4	Digital Inclusion	<input type="checkbox"/>

11. Explain how your project will help to deliver the priorities which you have ticked above?

12. How will the project involve people in the running and development of the project or activity?

13. What changes will the project or activity make that will empower people and enable them to take control of their lives and build resilience

14. Equal opportunities - How will you ensure that your project is accessible to all residents who would benefit? Include information about how you would publicise the project.

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15. How are you going to measure success? You will be asked to identify the success of your project on the project feedback form, so it's important to think about this now.

--

16. Your signature.

This must be the signature of the main contact in question 2.

- I confirm that I am authorised to sign this application on behalf of the organisation named in question 1.
- I confirm that to the best of my knowledge the information in this application form is true and correct.
- If this application is successful, I agree to ensure that the funds are spent as described here.
- I agree to ensure that the organisation complies with all monitoring and other grant conditions.
- I agree to complete and return the final evaluation form.
- I confirm that my organisation will conform to all relevant statutory requirements.

Signed	
Date	

Item 8 - A Local First Homes Policy for Sevenoaks District

The attached report was considered by the Housing & Health Advisory Committee on 23 November 2021. The relevant Minute extract was not available prior to the printing of this agenda and will follow when available.

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A LOCAL FIRST HOMES POLICY FOR SEVENOAKS DISTRICT

Cabinet - 9 December 2021

Report of: Chief Officer - People and Places and Chief Officer - Planning and Regulatory Services

Status: For Decision

Also considered by: Housing & Health Advisory Committee - 23 November 2021

Key Decision: Yes - significant in terms of its effects on the communities living or working in an area comprising of 2 or more wards in the District.

This report supports the Key Aim of: Delivering a sustainable economy through the provision of new affordable housing, specifically First Homes, ensuring priority is offered to local people.

Portfolio Holder: Cllr. Kevin Maskell and Cllr. Julia Thornton

Contact Officers: Rebecca Wilcox, Head of Housing, x7272 and James Gleave, Strategic Planning Manager, x7326

Recommendation to Housing & Health Advisory Committee:

- (a) Comments are sought on a local First Homes policy for Sevenoaks District, the draft contents of which are as set out in this report;
- (b) That officers continue to refine the policy, following consultation with the Portfolio Holder for Housing & Health, prior to its presentation to Cabinet for decision.

Recommendation to Cabinet:

- (a) That a local First Homes policy for Sevenoaks District, the content of which is as set out in this report, or as further refined, be approved and adopted for implementation on 28 December 2021 ;
- (b) That any supplementary First Homes policies, including re-sales and use of First Homes commuted sums, be drawn up by Officers, with delegated authority given to the Chief Officer - People & Places and the Chief Officer - Planning & Regulatory Services, following consultation with the Portfolio Holders for Housing & Health and Development & Conservation, to approve these policies.

Reason for recommendation: To ensure the District Council has a local First Homes policy approved by the date of the national implementation of First Homes on 28 December 2021, and said policy gives priority to local people.

Agenda Item 8

Background

1. A previous report on the new First Homes tenure was presented to HHAC on 28 September 2021. To summarise, the national First Homes policy will be implemented for S106 sites on 28 December 2021. First Homes will be sold at a prescribed discount to first time buyers and held as affordable housing in perpetuity, for the benefit of future first time buyers.
2. The Targeted Review of Local Housing Needs (TRLHN) recommends a local First Homes policy for is justified. Discussion with Kent colleagues shows the District Council is at the vanguard of developing a local policy. Our aim is to ensure First Homes contribute to meeting local housing needs and for planning applicants and first time buyers to have comprehensive guidance on this new tenure from day one. An Officer Working Group has been formed for this purpose.
3. Department for Levelling Up, Housing and Communities (DLUHC) guidance states that First Homes policy does not need to be viability tested as it captures the same value of (developer) contributions as before.
4. DLUHC have advised First Homes policy does not preclude local authorities from charging a first time buyer for the cost of processing their application. This is in addition to any S106 monitoring fee required specifically for First Homes monitoring that may be introduced.
5. National First Homes policy is as follows:
 - 30% discount on open market value in perpetuity;
 - Capped maximum discounted sale price of £250,000 at initial sale;
 - All first time buyers are eligible
 - Annual household income cap of £80,000 applies.
 - Subsequent to the delivery of 25% First Homes, the Social Rented Housing tenure has priority.
6. Based on the recommendations from the TRLHN, we suggest a Sevenoaks First Homes policy should contain the following:
 - 50% discount on open market value. *A single % discount is required District-wide, unless a Parish has adopted a Neighbourhood Development Plan which justifies a different % discount in that area;*
 - Capped maximum discounted sale price of £250,000 at initial sale. *This will be hard to deliver in some areas, as shown in Appendix A, and it seems likely only 1 bedroom flats may be offered in these areas or a commuted sum paid in lieu. An initial buyer may secure an “unfair” profit when they come to sell as the new buyer will only benefit from a 50% discount when*

the initial buyer may have effectively received a higher level of discount due to the capped initial sale price.

- For a limited marketing period of 3 months (this period is set by DLUHC) priority be given to first time buyers with a local connection to the District or Service Personnel or Local Essential Workers. We have previously adopted a *Local Essential Worker policy*. *Local connection will be as per the new Sevenoaks District Housing Register Allocations Policy, to ensure parity across the affordable tenures. The Sevenoaks Intermediate Housing Allocations Protocol will also be updated to reflect this to ensure parity across the Intermediate tenures.*
- Set an annual household income cap of £56,250. *This is above median resident based income levels but, by necessity for mortgage purposes, is based on a £250,000 discounted sale price, with 10% deposit and 4x income multiplier.*
- Core Strategy policy SP3 will continue to apply with the split of 65% homes for affordable rent tenures and 35% for Intermediate tenures. However this split is further refined as follows and will apply unless otherwise agreed by the District Council on a case by case basis:

58% Social Rented housing

7% Affordable Rented housing

25% First Homes

10% other Intermediate tenures, including Shared Ownership.

The provision of a high level of homes for Social Rent will greatly assist us in meeting the needs of the Housing Register. Delivery of new homes for Social Rent have been minimal since 2010 and the introduction of the Government's austerity measures. The ability of First Homes to meet local housing needs is questionable, given high property prices compared with median income levels. Their relevance to Housing Register applicants will be minimal. The "squeezing" of other Intermediate tenures may have an adverse affect on the delivery of Shared Ownership homes. Many Registered Providers rely on the cross subsidy provided by shared ownership to deliver affordable homes for rent on S106 sites.

- Confirmation that First Homes Exception Sites will not be permitted in areas designated under S157(1) of the Housing Act or areas within the Green Belt. *As per NPPF and the S157 Rural Designations report.*
- A reasonable charge to be made to first time buyers for application processing. *Currently it is difficult to identify any Service that has capacity to take on this extra work. A charge may allow for additional resources to be funded, subject to approval.*

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- The policy to be reviewed annually. *To ensure we keep pace with housing needs data and any delivery bottlenecks.*
- For parity, the Intermediate tenure, Discounted Market Housing for Sale (DMHfS), to be amended to require a 50% discount. *NPPF sets out a minimum discount of 20%. This level is at odds with First Homes policy and local housing needs data. Unless revised, it might eradicate any Shared Ownership housing because the developer contribution required for DMHfS would be so much more attractive to developers.*

Other options Considered and/or rejected

None.

Key Implications

Financial

The Officer Working Group will work with Finance colleagues to determine an appropriate level of charge for processing applications. Guidance will be sought as to whether additional officer resources can be funded from this.

The Officer Working Group will also work with Finance and Development Management colleagues regarding the monitoring fee to be attached to First Homes in S106 agreements and whether the level of all monitoring fees requires updating.

Resource (non financial)

The process mapping exercise being carried out by the Officer Working Group will determine which Service will be responsible for administering First Homes applications. Local authorities have expressed concern over capacity to deliver this without additional resources.

Legal Implications and Risk Assessment Statement

First Homes is a mandatory Government policy. The District Council must be ready to implement it. If we do not have a local policy in place, national policy will be used as a default. This will be less favourable to our meeting local housing needs for the reasons set out above.

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.

Conclusion

National First Homes policy is mandatory and must be implemented, even if local data demonstrates it will not meet our most pressing housing needs, i.e. genuinely affordable homes for rent. The adoption of a local First Homes policy for Sevenoaks will, however, put us in the strongest position to deliver a First Homes product that, within national constraints, is most aligned to meet local needs.

Appendix

Appendix A - house prices and incomes by place making areas, an extract from TRLHN 2021

Sarah Robson, Deputy Chief Executive and Chief Officer - People and Places

Richard Morris, Deputy Chief Executive and Chief Officer - Planning and Regulatory Services

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REPORT SEEKING SUPPORT FOR A LOCAL FIRST HOMES POLICY - APPENDIX A

Extract from the Targeted Review of Local Housing Needs 2021, by arc4.

Table TA3.11 Indicative First Home prices

Place Making Area	2020 house price		Indicative First Home Prices (discount to median price)		
	LQ	Median	First Homes (30% discount)	First Homes (40% discount)	First Homes (50% discount)
Darent Valley	£388,750	£587,500	£411,250	£352,500	£293,750
North East	£267,250	£340,000	£238,000	£204,000	£170,000
North West	£300,000	£362,000	£253,400	£217,200	£181,000
Sevenoaks urban area and surrounds	£381,500	£542,000	£379,400	£325,200	£271,000
South	£319,995	£443,750	£310,625	£266,250	£221,875
Upper Darent corridor	£365,000	£520,000	£364,000	£312,000	£260,000
Sevenoaks District	£317,500	£425,000	£297,500	£255,000	£212,500
First Homes not viable as exceeded £250k price after discounts applied					

Table TA3.12 Income required for First Homes to be affordable

Place Making Area	2020 house price		Indicative First Home Prices (discount to median price)		
	LQ	Median	First Homes (30% discount)	First Homes (40% discount)	First Homes (50% discount)
Darent Valley	£99,964	£151,071	£105,750	£90,643	£75,536
North East	£68,721	£87,429	£61,200	£52,457	£43,714
North West	£77,143	£93,086	£65,160	£55,851	£46,543
Sevenoaks urban area and surrounds	£98,100	£139,371	£97,560	£83,623	£69,686
South	£82,284	£114,107	£79,875	£68,464	£57,054
Upper Darent corridor	£93,857	£133,714	£93,600	£80,229	£66,857
Sevenoaks District	£81,643	£109,286	£76,500	£65,571	£54,643
First Homes not viable as exceeds £80k income					

Item 9 - Approval to Seek Additional Designation of Parishes/Areas under Section 157(1) of the Housing Act 1985

The attached report was considered by the Housing & Health Advisory Committee on 23 November 2021. The relevant Minute extract was not available prior to the printing of this agenda and will follow when available.

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APPROVAL TO SEEK ADDITIONAL DESIGNATION OF PARISHES/AREAS UNDER SECTION 157(1) OF THE HOUSING ACT 1985

Cabinet - 9 December 2021

Report of: Chief Officer - People and Places and Chief Officer - Planning and Regulatory Services

Status: For Decision

Also considered by:

- Housing & Health Advisory Committee - 23 November 2021

Key Decision: Yes - significant in terms of its effects on the communities living or working in an area comprising of 2 or more wards in the District.

This report supports the Key Aim of: Delivering a sustainable economy through the provision of new affordable housing, particularly new homes for rent in rural areas which are genuinely affordable by local people. This aim can be assisted through increased S106 commuted sum funding.

Portfolio Holder: Cllr. Kevin Maskell and Cllr. Julia Thornton

Contact Officers: Rebecca Wilcox, Head of Housing, x7272 and James Gleave, Strategic Planning Manager, x7326

Recommendation to Housing & Health Advisory Committee:

To give support for a report to be made to Cabinet seeking approval for an application to be submitted to the Secretary of State for Levelling Up, Housing and Communities, seeking additional areas/parishes in the Sevenoaks District (shaded green and blue in Appendix A) to be designated under section 157(1) of the Housing Act 1985.

Recommendation to Cabinet:

That approval be given for an application to be submitted to the Secretary of State for Levelling Up, Housing and Communities, seeking additional areas/parishes in the Sevenoaks District (shaded green and blue in Appendix A) to be designated under section 157(1) of the Housing Act 1985

Reason for recommendation: To enable the District Council to maximise its designated rural areas under Section 157 (1) of the Housing Act 1985, thereby ensuring the opportunity to secure affordable housing contributions is maximised in order to assist with the delivery of genuinely affordable homes and its rural exceptions housing programme protected.

Introduction and Background

- 1 Under Core Strategy 2011 policy SP3, any net residential addition on a planning application site triggered an affordable housing contribution. For sites of six or more homes, an element of affordable housing was to be provided on site. For sites of one to five homes, a commuted sum payment in lieu was payable. A sliding scale of contribution levels was set out in the accompanying Affordable Housing Supplementary Planning Document, such sliding scale having been previously viability tested.
- 2 Policy SP3 compliant levels of affordable housing were secured between 2011 and 2014. A Written Ministerial Statement (WMS) was issued in November 2014 (and following its eventual success in the High Court), this introduced a national threshold of 10 homes or more, above which affordable housing contributions could be sought. The WMS allowed local planning authorities to set a lower site threshold to those rural areas described under section 157(1) of the Housing Act 1985, which included National Parks and Areas of Outstanding Natural Beauty (AONB). In such cases, a commuted sum payment could be sought on these smaller sites.
- 3 In Sevenoaks District, S157 designation applies in over 60% of the District, as these areas are located within AONBs. On 5 March 2015, Cabinet approved a lower site threshold of six to nine homes, to apply in the rural areas designated under S157.
- 4 In February 2019, the National Planning Policy Framework was updated and this maintained the 10 homes (“major site”) threshold. It re-iterated the S157 designations for smaller sites.
- 5 The District Council is unable to apply the lower site threshold to those rural parishes/areas located outside of the AONBs, even where these areas are designated as “rural” under S17 of the Housing Act 1996 (statutory Right To Acquire).
- 6 Guidance from the Department for Levelling Up, Housing and Communities (DLUHC) advises that local authorities may apply to the Secretary of State to have additional areas designated as ‘rural’ under S157. Parishes must meet the criterion of a population density of less than two persons per hectare and any settlements in them must have a population of fewer than 3,000 inhabitants. The first criteria can be applied flexibly. For example, some parishes just over these limits may be designated in order to avoid a ‘patchwork’ situation where some parishes are designated while others, broadly similar, are excluded. The Appendix shows those parishes, shaded green and blue, where whole parish designation would meet the above criterion. An application seeking such designation is therefore recommended. The application process for local authorities appears very straightforward. The time taken for DLUHC to approve applications is constrained as it requires the laying of a statutory instrument. In recent years, successful applications have been made by various local authorities, including Chichester DC, Malvern Hills DC and Shropshire Council.

- 7 The primary purpose of rural designation under S157 is to restrict the consequences of the Right to Buy. It allows the local authority to put restrictive covenants in place so that the home can only be sold on to someone who has been living or working in the parish for 3 years. Alternatively the local authority may require the tenant to offer the home back to them if the tenant wishes to sell within 10 years of buying. A local authority can decide not to implement any such restrictive covenants.
- 8 Designation of all rural parishes under S157 will enable the council to apply the lower site threshold to all new market housing sites for 6 - 9 homes, within these parishes. This will maximise the opportunity for S106 commuted sum payments towards the delivery of new affordable housing.
- 9 The designation of additional rural parishes under S157 will also help to protect the District Council's Rural Exceptions Housing programme, as set out in Core Strategy policy SP4. This programme is benefiting from a 5 year local needs survey programme, in which all 31 parishes will be surveyed. Under a new WMS issued in May 2021 in respect of First Homes, areas designated under S157 are excluded from consideration as First Homes Exceptions Sites. This exclusion will help to ensure that in these areas, sites will continue to come forward as rural exceptions sites only, with their associated greatly restricted land values (as set out in the Kent Rural Housing Protocol, February 2021). This will ensure the delivery of genuinely affordable housing that meets the identified housing needs of the Parish and Housing Register customers.

Other options Considered and/or rejected

Leave as current and do not apply for additional rural designations. This would prevent the District Council from maximising S106 contributions to enable new affordable housing and, with the advent of First Homes, is likely to adversely impact on the rural exceptions housing programme. Rejected.

Key Implications

Financial

With additional designations, the District Council will be able to seek S106 affordable housing commuted sum payments on a greater number of sites. These funds can then be invested to enable new affordable housing.

Legal Implications and Risk Assessment Statement

Consideration has been given as to whether the very few remaining WKHA tenants with a contractual Right to Buy following the Large Scale Voluntary Transfer (LSVT) of the housing stock in 1989, would be adversely affected by additional designations. The Housing Act 1985 Section 157(1) states, "...the conveyance or grant may contain a covenant limiting the freedom of the tenant (including any successor in title of his and any person deriving title under him or such a successor) to dispose of the dwelling-house..."

Agenda Item 9

Legal advice is that it can therefore be concluded that rural designation does not imply a statutory restriction but one that can be applied by a local authority or housing association on disposal of a property under the Right to Buy legislation.

To ensure parity with Right to Buy sales that have occurred since the LSVT, it is proposed to not introduce any restriction on tenants with a contractual Right To Buy who live in any newly designated areas.

Equality Assessment

Additional rural designation under S157 will have a positive impact on the availability of affordable housing to local people, through additional S106 contributions and the protection of the rural exceptions housing programme.

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.

Consultation

Extensive consultation was undertaken on the threshold level for affordable housing contributions as part of the Core Strategy process and the emerging Local Plan.

This proposal has been discussed with housing, planning and legal officers, as well as Kent Rural Housing Enabler and rural housing specialists.

Conclusions

If the Council does not apply for additional rural designations under S157 of the Housing Act 1985, it will be unable to apply the lower threshold in rural parishes outside of the AONB. This will reduce the contribution to affordable housing from market housing development in those rural parishes. Based on an analysis of the existing Core Strategy ADMP and the emerging Local Plan allocation sites that are not in the AONB and which are proposing sites of between 6-9 homes, these will deliver 45 new homes overall. Based on the level of affordable triggered under policy, this means commuted sum payments in lieu of 9 affordable homes, will be lost. Any windfall sites will only add to this number.

Additional designation of rural parishes under S157 will also help to protect and promote the District Council's rural housing programme. Designation will mean only Rural Exceptions Housing Sites will be permissible in these areas and the overriding housing need addressed by the vast majority of these is genuinely affordable homes for rent. First Homes Exception Sites will not be permitted. It should be noted however, that subject locally identified housing needs, DLUHC guidance indicates Rural Exceptions Housing Sites can include First Homes.

It is therefore recommended that an application be submitted to DLHC seeking further designations under S157, as set out in Appendix A, shown by blue and green shading.

Appendices

Appendix A - Table to show those additional rural parishes where designation under S157 of the Housing Act 1985 is sought.

Background Papers

None.

Sarah Robson

Deputy Chief Executive and Chief Officer - People and Places

Richard Morris

Deputy Chief Executive and Chief Officer - Planning and Regulatory Services

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Appendix A

POTENTIAL FOR ADDITIONAL DESIGNATIONS UNDER SECTION 157 (1) OF THE HOUSING ACT 1985

Parish	Parish in hectares	Population 2011 Census	Population density per hectare	Designated as rural under S17 of the Housing Act 1996 and para. 4A(3) of Schedule 4A of the Leasehold Reform Act 1967- "Designated Protected Area" <i>Exemptions from the Right to Acquire and 100% staircasing</i>	Currently designated as rural under S157 of the Housing Act - "Designated Rural Area" as AONB <i>Lower site threshold and RTB resale restrictions</i>	Land designated as Green Belt <i>Exempted from FHES</i>
Badgers Mount	269	Was part of Shoreham	Was part of Shoreham	Full	Partial	Partial
Brasted	1454	1,429	0.98	Full	Partial	Partial
Crockenhill/ Well Hill	705	1,654	2.34	Full	Partial	Partial
Eynsford	1570	1,814	1.16	Full	Partial	Partial
Farningham	965	1,319	1.37	Full	Partial	Partial
Sevenoaks Weald	969	1,222	1.26	Full	Partial	Partial
Ash-Cum-Ridley	1429	6,641	4.65	Partial	None	Partial
Cowden	1261	818	0.65	Full	Full	Full
Hextable	235	4,092	17.41	Partial	Partial	Partial

Parish	Parish in hectares	Population 2011 Census	Population density per hectare	Designated as rural under S17 of the Housing Act 1996 and para. 4A(3) of Schedule 4A of the Leasehold Reform Act 1967- "Designated Protected Area" <i>Exemptions from the Right to Acquire and 100% staircasing</i>	Currently designated as rural under S157 of the Housing Act - "Designated Rural Area" as AONB <i>Lower site threshold and RTB resale restrictions</i>	Land designated as Green Belt <i>Exempted from FHES</i>
Leigh	1615	1,793	1.11	Full	Partial	Partial
Penshurst	1620	1,628	1.00	Full	Full	Full
Seal	1862	2,556	1.37	Full	Partial	Partial
Shoreham	1628	2,041	1.25	Full	Partial	Partial
Edenbridge	2203	8,907	4.04	Partial	Partial	Partial
Fawkham	664	578	0.87	Full	None	Full
Swanley	678	16,226	23.93	Partial	Partial	Partial
West Kingsdown	1597	5,484	3.43	Partial	Partial	Partial
Westerham & Crockham Hill	2286	4,475	1.96	Partial	Partial	Partial
Chevening	1488	3,092	2.08	Partial	Partial	Partial

Parish	Parish in hectares	Population 2011 Census	Population density per hectare	Designated as rural under S17 of the Housing Act 1996 and para. 4A(3) of Schedule 4A of the Leasehold Reform Act 1967- "Designated Protected Area" <i>Exemptions from the Right to Acquire and 100% staircasing</i>	Currently designated as rural under S157 of the Housing Act - "Designated Rural Area" as AONB <i>Lower site threshold and RTB resale restrictions</i>	Land designated as Green Belt <i>Exempted from FHES</i>
Chiddingstone	2580	1,250	0.48	Full	Partial	Full
Dunton Green	390	2,360	6.05	Partial	Partial	Partial
Halstead	589	1,607	2.73	Full	Partial	Partial
Hever	1481	1,231	0.83	Full	Partial	Full
Knockholt	743	1,222	1.64	Full	Partial	Partial
Sundridge with Ide Hill	1676	1,877	1.12	Full	Full	Partial
Kemsing	895	4,218	4.71	None	Partial	Partial
Otford	702	3,465	4.94	None	Partial	Partial
Riverhead	286	2,634	9.21	None	Partial	Partial
Sevenoaks Town	1596	20,409	12.79	None	Partial	Partial

Parish	Parish in hectares	Population 2011 Census	Population density per hectare	Designated as rural under S17 of the Housing Act 1996 and para. 4A(3) of Schedule 4A of the Leasehold Reform Act 1967- "Designated Protected Area" <i>Exemptions from the Right to Acquire and 100% staircasing</i>	Currently designated as rural under S157 of the Housing Act - "Designated Rural Area" as AONB <i>Lower site threshold and RTB resale restrictions</i>	Land designated as Green Belt <i>Exempted from FHES</i>
Hartley	548	5,359	9.78	None	None	Partial
Horton Kirby & South Darent	1051	3,492	3.32	Full	None	Partial

Key:

- Whole Parish already designated under S157
- Whole Parish designation under S157 recommended - population less than 3,000 and population density per hectare is 2.00 or less.
- Whole Parish designation under S157 recommended - no towns with a population of over 3,000 and/or population density per hectare is up to 3.35. Designation is also sought into avoid a patchwork of exemption.