

10 February 2022 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 02.02.22



The meeting will also be livestreamed to YouTube here:

https://www.youtube.com/channel/UC1T1f_F50fvTzxjZk6n6q Members of the public who wish to attend in person, are requested to wear face masks and may 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	(Pages 1 - 6)	
To agree the Minutes of the meeting of the Committee held on 13 January 2022, as a correct record		
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. Report on Special Urgency Decisions	(Pages 7 - 40)	Charlotte Sinclair 01732 227165
6. White Oak Leisure Centre	(Pages 41 - 68)	Detlev Munster Tel: 01732227099



7. **Budget and Council Tax Setting** (Pages 69 - 156) Adrian Rowbotham
Tel: 01732 227153



REPORTS ALSO CONSIDERED BY THE CABINET ADVISORY COMMITTEES

8. **Scrap Metal Dealer Fees 2022 - 23** (Pages 157 - 192) Jessica Foley
Tel: 01732227480

9. **Sevenoaks District Health and Wellbeing
Action Plan Draft 2022/23** (Pages 193 - 226) Kelly Webb
Tel: 01732227474



10. **Discretionary Rate Relief** (Pages 227 - 250) Sue Cressall
Tel: 01732 227041

11. **Summary of the Sevenoaks District Emerging
Housing Strategy 2022 - 26** (Pages 251 - 266) Sharon Donald
Tel: 01732 227000

12. **Sevenoaks District Housing Register Allocations
Scheme** (Pages 267 - 318) Sharon Donald
Tel: 01732 227000



13. **Financial Results 2021/22 to the end of
November 2021** (Pages 319 - 356) Alan Mitchell
Tel: 01732227483

14. **Treasury Management Strategy** (Pages 357 - 410) Roy Parsons
Tel: 01732 227204



15. **Property Investment Strategy Update Report** (Pages 411 - 440) Adrian Rowbotham
Tel: 01732 227153



16. **Bevan Place, Swanley Development Proposal** (Pages 441 - 492) Detlev Munster
Tel: 01732227099



17. **White Oak Leisure Centre Residential Quarter,
Swanley - Development Proposal** (Pages 493 - 520) Detlev Munster
Tel: 01732227099





Appendix C (Agenda Item 6) - White Oak Leisure Centre: New Build and Operator
Procurement - Progress Report

Appendix C (Agenda item 16) Bevan Place, Swanley, Development Proposal

Appendix D (Agenda Item 16) Bevan Place, Swanley Development Proposal

Appendix B (Agenda Item 17) - Swanley White Oak Residential Quarter, Swanley -
Development Proposal

 Indicates a Key Decision

 indicates a matter to be referred to Council

EXEMPT INFORMATION

Recommendation: That, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting when considering appendix C of Agenda Item 6, appendices C and D of Agenda Item 16; and appendix B of Agenda Item 17, on the grounds that likely disclosure of exempt information is involved as defined by Schedule 12A, paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information.))

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.

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CABINET

Minutes of the meeting held on 13 January 2022 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Dickins (Vice Chairman)

Cllrs. McArthur, Dyball, Maskell and Thornton

Cllr. Purves was also present.

Cllr. McGarvey was present via a virtual media platform which does not constitute attendance as recognised under the Local Government Act 1972.

58. Minutes

Resolved: That the Minutes of the meeting of Cabinet held on 9 December 2021, be agreed and signed by the Chairman as a correct record.

59. Declarations of interest

Cllr Dyball declared a non-pecuniary interest in item 62 as she was a Member of Swanley Town Council.

60. Questions from Members (maximum 15 minutes)

A Member asked a question about matters considered by Finance Advisory Committee on 11 January 2022 relating to the White Oak Residential Development Proposal. The questions related to the viability of the outline planning permission relating to the site, the viability of full affordable housing provision and the consultation process. The Chairman undertook to provide a full response in writing in the next few days.

61. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees

There were none.

62. Swanley Sunday Market Proposal

The Portfolio Holder for Cleaner & Greener presented the report which set out the proposal for an additional Sunday Street Market in Swanley. The Cleaner & Greener Advisory Committee had considered the same report and endorsed the recommendation subjects to comments.

The Head of Direct Services advised that the Council's current contractor, Bray Associates had approached the Council with a proposal for consideration to offer

an additional Sunday street market at the same location as the existing Swanley Wednesday market. This would initially be trialled as a 6-month pilot. Negotiations with LCP Properties who own the Shopping Centre were ongoing and in principle an agreement for a 6 month pilot had been agreed. Dartford Borough Council had been consulted and had no objections to an additional Sunday street market.

Any issues identified during the 6-month pilot will be closely monitored and engagement with interested parties will be undertaken.

Bray Associates proposed to pay the Council £4,000 per week for the first month of the Sunday market pilot and £6,000 per week for the remainder of the pilot, which would give a total income of £144,000 for the 6-month pilot.

Public Sector Equality Duty

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

Resolved: That taking into consideration the views of the Cleaner & Greener Advisory Committee, the additional Sunday Street Market proposal be endorsed.

63. Budget Update 2022/23

The Portfolio Holder for Finance & Investment presented the report which set out progress made in preparing the 2022/23 budget and updated Members on key financial information. Based on the changes to the budget included in the report, additional savings of £98,000 per annum would still be required to ensure the Council could set a balanced 10-year budget.

The Deputy Chief Executive and Chief Officer - Finance & Trading explained that the report contained a number of changes since the report to Cabinet in December including the announcement of the Provisional Local Government Finance Settlement for 2022/23.

He also explained that since the report was written, officers and Cabinet Members have continued to identify savings options which have been very helpful in reducing the budget gap. The decision contained in Item 62 (Swanley Market) would enable the budget gap to be reduced further.

The current assumption in the budget was a 2% increase in Council Tax for 2022/23. By implementing the maximum increase for SDC of £5 per annum (2.2%) for a Band D property, then an additional £23,000 of Council Tax income could be collected in 2022/23 and £269,000 over the 10-year budget period.

By recommending the 2.2% increase there would no longer be a budget gap and the Council could once again have a self-sufficient balanced 10-year budget. It was also noted that there remain a number of risks to the budget.

Public Sector Equality Duty

Cabinet - 13 January 2022

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

Resolved: That

- a) the growth and savings/additional income proposals as set out in Appendix E be included in the budget; and
- b) a Council Tax increase for 2022/23 of 2.2% be recommended to Council.

64. Calculation of Council Tax Base and Other Tax Setting Issues

The Portfolio Holder for Finance & Investment presented the report which set out details of the calculation of the District's tax base for council tax setting purposes. These figures were used to determine tax rates for each of the council tax bands once the Council's budget was known. The report set out that the tax base for 2022/23 would be 51,514.27 which was an increase of 1.25%. The collection rate of 98.9% for 2022/23 had been included which was an increase from 2021/22, due to a better than anticipated collection rate during the pandemic.

The Principal Accountant set out the report and also advised Members of the timetable for setting the 2022/23 council tax. He explained that the major precepting authorities' Council Taxes should be known in advance of Council setting the tax for the whole District on 22 February 2022.

Public Sector Equality Duty

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

Resolved: That it be recommended to Council that

- a) the report of the Deputy Chief Executive and Chief Officer - Finance & Trading for the calculation of the Council's tax bases for the year 2022/23 be approved;
- b) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2022/23 shall be 51,514.27;
- a) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulation 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2022/23 for the calculation of local precepts shall be:

Parish	Tax Base
Ash-cum-Ridley	2,444.31
Badgers Mount	331.71
Brasted	781.61
Chevening	1,450.67
Chiddingstone	609.13
Cowden	440.01
Crockenhill	655.21
Dunton Green	1,343.85
Edenbridge	3,819.62
Eynsford	951.52
Farningham	669.26
Fawkham	297.59
Halstead	778.64
Hartley	2,556.47
Hever	638.60
Hextable	1,693.66
Horton Kirby & South Darent	1,277.99
Kemsing	1,854.08
Knockholt	633.16
Leigh	966.25
Otford	1,721.95
Penshurst	840.95
Riverhead	1,258.50
Seal	1,343.85
Sevenoaks Town	9,766.28
Sevenoaks Weald	626.83
Shoreham	701.30
Sundridge	941.03
Swanley	5,665.09
Westerham	2,079.47
West Kingsdown	2,375.68

(d) any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish or community

Cabinet - 13 January 2022

council or the chairman of a parish meeting shall not be treated as special expenses for the purposes of section 35 of the Local Government Finance Act 1992.

65. Air Quality Action Plan request to consult

The Portfolio Holder for Cleaner & Greener presented the report which set out the proposed Draft Air Quality Action Plan, which would replace the previous 2009 plan and aimed to tackle the main causes of poor air quality within Sevenoaks District, namely emissions from combustion engines, particularly diesel vehicles, and emissions from domestic combustion sources. She advised that the Cleaner & Greener Advisory Committee had considered the same report.

The Environmental Health Manager advised that the Council was required to consult with relevant stakeholders and the public on measures proposed by the AWAP. The outcome of the consultation would be used to shape the final draft. He advised that minor typographical errors noted by the Advisory Committee had been corrected.

Public Sector Equality Duty

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

Resolved: It be recommended to Council that the contents of the 'Draft Air Quality Action Plan' be noted and the Environmental Health Team be authorised to undertake public consultation of the draft plan.

IMPLEMENTATION OF DECISIONS

This notice was published on 14 January 2022. The decision contained in Minute 62 takes effect on 24 January 2022. The decision contained in Minute 63 takes effect immediately. The decisions contained in Minutes 64 and 65 are references to Council.

THE MEETING WAS CONCLUDED AT 7.37 PM

CHAIRMAN

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REPORT ON SPECIAL URGENCY DECISIONS

Cabinet - 10 February 2022

Report of: Chief Executive

Status: For Decision

Key Decision: No

Portfolio Holder: Cllr. Peter Fleming

Contact Officer: Charlotte Sinclair, Ext. 7165

Recommendation: That the report be noted.

Reason for recommendation: To comply with the Council's governance arrangements.

Introduction

- 1 This report complies with Part 13, paragraph 12 (d) of the Council's Constitution which states that the Chief Executive has the delegated authority

'In cases of urgency, after consultation with the Leader and Deputy Leader of the Council [and, where possible, the Leader(s) of the Opposition], to take any decision which could be taken by the Cabinet or by a Committee and to report such actions to Cabinet or Committee as appropriate.
- 2 The urgent decisions were also classified as 'Key Decisions' and as such, usually subject to a notice period of 28 days. Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, allows for cases of 'special urgency' to be taken with the agreement of the Chairman of the Scrutiny Committee that the decision is 'urgent and cannot be reasonably deferred and notice is given as soon as reasonably practicable after the agreement is given.' (See also paragraph 17, Appendix A -Access to Information Procedure Rules, of the Council's Constitution.) The Chairman of Scrutiny Committee's consent was given and notices were published of the decision as soon as it was made.
- 3 In addition to the above, key decisions are subject to a call-in period and would not usually come into force until the 'expiry of five clear working days after their publication. Appendix C, paragraphs 18.3 to 18.18 of the Council's Constitution sets out call-in and urgency procedures. In these cases the Chairman of the Council agreed that that the decision proposed

Agenda Item 5

was reasonable in all the circumstances and were to be treated as matters of urgency, and not be subject to call-in.

Decisions

- 4 Since it was last reported the following decisions have been taken, attached as an Appendix.

Officer Decision 01 (2021/22) - Omicron Hospitality and Leisure Grants (OHLG) and COVID-19 Additional Relief Fund (CARF) Business Support Schemes

- 5 The decisions set out their reasons for urgency.

Key Implications

Financial

The financial implications of these decisions is set out within the attached decision.

Legal Implications and Risk Assessment Statement

All relevant legislation and constitutional requirements were adhered to. Each decision sets out its reason for urgency.

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.

Conclusions

The decision to use the urgency provisions as set out in the report were taken in view of the pressing need for an immediate response to the crisis.

Members are asked to note this report.

Appendices

Appendix A: Officer Decision 01 (2021/22)

Background Papers

Council's Constitution

Dr. Pav Ramewal

Chief Executive

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Officer Decision Statement

Openness of Local Government Bodies Regulations 2014/2095

Subject:	Omicron Hospitality and Leisure Grants (OHLG) and COVID-19 Additional Relief Fund (CARF)
Key Decision	Yes
Notice of the Key Decision	Notice has been given as per Regulation 11 of The Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012
Details of Decision taken	
<p>The endorsement of the Omicron Hospitality and Leisure Grants (OHLG) and COVID-19 Additional Relief Fund (CARF) Schemes providing payments or reliefs to those businesses within the District who meet the eligibility criteria set out within the relevant policies.</p> <p>The new support schemes have been developed in response to an announcement made by Government which sets out circumstances whereby a payment may be made by the Council to a business that has met the criteria in the accompanying guidance and relevant policies.</p>	
Reason for Decision	
<p>With the special circumstances surrounding the impact on businesses as a result of restrictions due to coronavirus (Covid 19), the Council must deliver on the Government direction quickly in line with Government guidance and legislation.</p>	
Reason for Urgency	
<p>In order to have a positive and immediate impact it is not possible to wait until the next meeting of Cabinet and following government advice, prudent to mitigate the impact on local businesses</p> <p>An urgent decision is required on the adoption of these schemes. It is imperative that we are ready to take applications and process payments in the timeframe mandated by Government.</p> <p>Pursuant to Appendix C, paragraph 18 of the Council's Constitution, it is deemed that the decision proposed is reasonable in these circumstances to be treated as a matter of urgency and the call-in procedure does not apply.</p>	
All Documents considered:	
Scheme documents attached	

Details of any alternative options considered and rejected by the Officer when making the Decision: None.

Financial implications

Central government will provide funding of for both the main scheme and for the discretionary element, by way of a grant under section 31 of the Local Government Act 2003.

Legal Implications and Risk Assessment Statement

This decision is taken by the Chief Executive acting in accordance with Paragraph 12 (d) of Part 13 of the Constitution, which authorises him as follows:

(d) In cases of urgency, after consultation with the Leader and Deputy Leader of the Council [and, where possible, the Leader(s) of the Opposition], to take any decision which could be taken by the Cabinet or by a Committee and to report such actions to Cabinet or Committee as appropriate.

Furthermore, this being an urgent Key Decision, Notice has been duly given and the agreement of the Chairman of the Scrutiny Committee has been sought to enable the decision to proceed as per Regulation 11(1)(a) of The Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012.

Furthermore, this being an urgent Key Decision, the agreement of the Chairman of the Council has been sought to disapply the call-in procedure set out in Paragraph 18 of Appendix C of the Constitution, for the reasons set out in Paragraphs 18.13 - 18.18.


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.

Local Member(s), Portfolio Holders and/or Chief Officer/Heads of Service Consulted

Councillors Fleming and Dickins
Chief Officer - Customer and Resources

Agreement of Chairman of Scrutiny Committee pursuant to 11 (1)(a) of The Local Authorities (Executive Arrangements)(Meetings

and Access to Information)(England) Regulations 2012, obtained on: On 18/01/2022	
Agreement of the Chairman of the Council pursuant to Appendix C, para.18.16 of the Council’s Constitution, obtained on: On 18/01/2022	
Details of any conflicts of interest a) declared by any member who was consulted or was part of the body giving specific express authorisation b) and any details of dispensations granted by the Chief Executive in respect of any declared conflict	
Decision taken by:	The Chief Executive
Signed by Officer	
Date of Decision	18/01/22
Record made by:	Charlie Sinclair
Date of record:	19/01/22

This decision takes immediate effect

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Background Information for Emergency Expenditure Request

Emergency: Coronavirus Pandemic
Subject: Omicron Hospitality and Leisure Grants (OHLG) and COVID-19 Additional Relief Fund (CARF) Business Support Schemes
Date: 18/01/2022
Chief Officer: Jim Carrington-West

Council Constitution

Appendix D - Financial Procedure Rules

2d. Emergency Expenditure

Why is this important?

The Council needs to have in place a procedure for meeting immediate needs in the case of an emergency situation arising in the District.

General

2.32 The Chief Executive and s.151 Officer/Chief Finance Officer shall have the authority to approve expenditure on any item which is essential to meet any immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972, subject to a subsequent report to Cabinet and/or Full Council depending on whether or not the expenditure can be met from within the current budget framework.

2.33 The Chairman or Vice-Chairman of the Council together with the Leader or Deputy Leader of Council, having received a report from the Chief Executive and the Chief Executive and s.151 Officer/Chief Finance Officer, shall have power to incur expenditure which is essential to meet any immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972 (or other subsequent legislation) which is not otherwise authorised or where it is necessary in the Council's interest to settle legal proceedings which have been commenced against the Council. A subsequent report shall be submitted to Cabinet and/or the full Council depending on whether or not the expenditure can be met from within the current budget framework.

Detail

In response to the Coronavirus pandemic, the government has announced additional support to businesses affected in line with published guidance and the supporting policies.

Agenda Item 5

It is for individual authorities to adopt local schemes and to determine in each individual case when, having regard to the guidance issued, to provide payments under Section 1 of the Localism Act 2011.

It is imperative that we deliver much needed support to the business community in the form of grants to preserve the local economy

Financial Impact

Central government will provide funding of for these schemes by way of a grant under section 31 of the Local Government Act 2003.

Requesting Chief Officer: Jim Carrington-West - Deputy Chief Executive and Chief Officer Customer and Resources

Approval

Chief Executive:



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





Sevenoaks District Council
Omicron Hospitality and Leisure Grant
Scheme
December 2021

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Definitions

The following definitions are used within this document:

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant. For the purpose of this scheme, the date cannot be before 30th December 2021;

‘Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘Hospitality, Leisure and Accommodation’; as defined within this scheme;

‘In-person services’ means services which are wholly or mainly provided by the business to their customers face to face and which **cannot** be provided by other means such as online or remotely by telephone, email, video link, or written communication;

‘Local lockdown’; means the same as **‘Local restrictions’**;

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Rateable value’; means the rateable value for the hereditament shown in the Council’s local rating list at the date of the local restrictions;

‘Ratepayer’; means the person who will receive the grant will be the person who, according to the Council’s records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions;

‘State Aid Framework’; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020;

‘Subsidies’; means the Government’s replacement scheme for the previous state aid framework; and

‘Temporary Framework for State aid’; means the same as the **‘State Aid Framework’**.

1.0 Purpose of the Scheme, background, and funding

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Omicron Hospitality and Leisure grant scheme. The scheme is effective from 30th December 2021 and is not retrospective.
- 1.2 The grant scheme has been developed by the Council in response to an announcement made by Government on 21st December 2021 which introduced additional grant support for hospitality and leisure businesses in England.
- 1.3 The scheme provides support to hospitality, leisure, and accommodation businesses, in recognition that the rise of the Omicron variant means that some businesses are likely to struggle over the coming weeks.
- 1.4 Whilst the awarding of grants will be the Council's responsibility, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application. The Department has also indicated the types of business which should be given the grant.
- 1.5 This support will take the form of a one-off grant funding scheme. Funding is available for the 2021/22 financial year only and is to be administered by the Council as the Billing Authority.
- 1.6 No grant shall be paid for any period prior to 30th December 2021.

2.0 Eligibility criteria

- 2.1 Government, whilst wanting Councils to exercise their local knowledge and discretion, has set national criteria for these funds. In all cases, the Council will only consider businesses for grants where **all** of the criteria are met.
- 2.2 Businesses that are eligible are those that:
 - (a) are liable for local non-domestic rating (business rates) and have premises (hereditaments) on the Council's local rating list on 30th December 2021;
 - (b) the hereditament must be occupied on 30th December 2021;
 - (c) the business must be trading on 30th December 2021; and
 - (d) the business must fall into scope as hospitality, leisure and accommodation as defined within this section.
- 2.3 Businesses will only be eligible where their main service falls within hospitality, leisure, or accommodation. If a business operates services that could be considered hospitality or leisure, and falls into another category, the Council has decided the main service can be determined by assessing which category constitutes 50% or more of their overall income. The main service principle will determine whether a business receives funding.

- 2.4 For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession or buying and selling goods or services in order to generate turnover.
- 2.5 Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible under these conditions.

Hospitality

- 2.6 For the purposes of this scheme, a hospitality business is defined as a business whose main function is to provide a venue for the consumption and sale of food and drink.
- 2.7 The Council will use the following criteria to assess whether a business is eligible for a grant under this threshold:
- Businesses offering in-person food and drink services to the general public; and
 - Businesses that provide food and/or drink to be consumed on the premises, including outdoors.
- 2.8 For these purposes, the definition of a hospitality business excludes food kiosks and businesses whose main service (generating 50% or more of income) is a takeaway.
- 2.9 This is not applicable to those businesses that have adapted to offer takeaways during periods of restrictions, in alignment with previous COVID-19 business grant schemes.

Leisure

- 2.10 For the purposes of this scheme, a leisure business is defined as a business that provides opportunities, experiences, and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.
- 2.11 The Council has decided that for these purposes, the definition of a leisure business excludes all retail businesses, coach tour operators, and tour operators.

Accommodation

- 2.12 For the purposes of this scheme, an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel and other purposes. The Council will take into account the following when making its decision:
- Does the business provide accommodation for 'away from home' stays for work or leisure purposes? and
 - Does the business provide accommodation for short-term leisure and holiday purposes?
- 2.13 The Council has decided that the definition of an accommodation business will **exclude**:
- private dwellings;
 - education accommodation;

- residential homes and care homes; and
- residential family centres.

3.0 Awards

3.1 The Omicron Hospitality and Leisure grant is a one-off grant as follows:

- Businesses occupying hereditaments appearing on the local rating list with a **rateable value of exactly £15,000 or under** on 30 December 2021 will receive a payment of **£2,667**;
- Businesses occupying hereditaments appearing on the local rating list with a **rateable value over £15,000 and less than £51,000** on 30 December 2021 will receive a payment of **£4,000**;
- Businesses occupying hereditaments appearing on the local rating list with a **rateable value of exactly £51,000 or over** on 30 December 2021 will receive a payment of **£6,000**

3.2 Any business failing to meet the criteria will not be awarded a grant. However, subject to subsidy allowance conditions, businesses will be entitled to receive a grant for each eligible hereditament.

4.0 Excluded businesses – general exclusions

4.1 The following businesses will **not** be eligible for an award:

- (a) Businesses that are not within the rating system;
- (b) Businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding; and
- (c) Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

5.0 The Effective Date

5.1 The effective date for eligibility is determined as the 30th December 2021

The hereditament

5.2 In **all** cases, the following must have existed at the effective date:

- The hereditament **MUST** be shown in the local rating list;
- Any changes to the local rating List (Rateable Value or to the hereditament) after the effective date, including changes which have been backdated to this date, will be ignored for the purposes of eligibility;
- The Council is not required to adjust, pay or recover grants where the local rating list is subsequently amended retrospectively to the effective date;
- In cases where it was factually clear to the Council that, at the effective date, the local

rating List was inaccurate on that date, the Council *may* withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate. (The Department for Business, Energy and Industrial Strategy (BEIS) has stated that this provision is entirely at the discretion of the Council and is **only** intended to prevent manifest errors. It is not intended for ratepayers who subsequently challenge their Rateable Value); and

- Where a hereditament is exempt from rating as at the effective date, no grant shall be payable.

The Ratepayer

5.3 In **all** cases the following shall apply:

- The person who will receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date;
- The ratepayer must be liable to occupied property rates at that date. It should be noted that grants will not be awarded where the hereditament is unoccupied;
- Where the Council has reason to believe that the information it holds about the ratepayer at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer;
- Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid; and
- Where any ratepayer misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

6.0 How will grants be provided to Businesses?

6.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Omicron Hospitality and Leisure grant scheme together with the Council's Additional Restrictions Grant (ARG) scheme will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.

6.2 Details of how to obtain grants are available on the Council's website:
www.sevenoaks.gov.uk/localrestrictions

6.3 The closing date for applications is 28th February 2022 and **no** payments can be made by the Council after 31st March 2022.

6.4 In all cases, businesses will be required to confirm that they are eligible to receive the grant. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.

6.5 The Council reserves the right request a further application or any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.

- 6.6 An application for an Omicron Hospitality and Leisure grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 6.6 Businesses should be aware that the Council will undertake extensive pre and post payment checks to prevent and detect fraud whether actual or attempted

7.0 Subsidies and EU State Aid

- 7.1 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 7.2 The United Kingdom, however, remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 7.3 The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under the EU State aid Temporary Framework.
- 7.4 Businesses should make themselves aware of their obligations under Government's subsidies arrangements available on via the following link:

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

8.0 Scheme of Delegation

- 8.1 The scheme has been approved by the Chief Executive acting in accordance with Paragraph 12 (d) of Part 13 of the Council's Constitution.
- 8.2 Officers of the Council will administer the scheme and the Deputy Chief Executive and Chief Officer – Customer and Resources is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

9.0 Notification of Decisions

- 9.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 9.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

10.0 Reviews of Decisions

- 10.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 10.2 All such, requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 10.3 The application will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.

11.0 Complaints

- 11.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

12.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

- 12.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 12.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.
- 12.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

13.0 Managing the risk of fraud

- 13.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
- 13.2 For the avoidance of doubt, the Council is required to undertake pre- payment checks and post-payment checks for all Omicron Hospitality and Leisure grant payments. This is a stricter position than that taken for previous COVID-19 business support grant schemes. This will include access to and cross-checking with Government data as well as data already held by the Council.

14.0 Recovery of amounts incorrectly paid

- 14.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

15.0 Data Protection and use of data

- 15.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.



Policy for the granting of COVID-19 Additional Relief Fund Discretionary Non-Domestic Rate Relief

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief payable under the Council's COVID-19 Additional Relief Fund (CARF) scheme.
- 1.2 Central Government has provided the authority with funding to assist those ratepayers whose businesses have been (and continue to be) affected by the pandemic but that are ineligible for existing support linked to business rates.
- 1.3 The Government has not changed the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in this policy, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- 1.4 Whilst funding is provided by Central Government, it is for the Council to decide its own local scheme and determine in each individual case whether to grant this particular relief.
- 1.5 Relief under the CARF scheme will only be available to reduce chargeable amounts in respect of the 2021/22 financial year. I
- 1.6 This document outlines the following areas:
 - Details of the criteria for receiving Discretionary Reliefs under the COVID-19 Additional Relief Fund (CARF) scheme;
 - The Council's policy for the granting the relief;
 - General guidance on granting and administering the reliefs and awards;
 - Subsidy Controls applicable; and
 - The Council's Scheme of Delegation.
- 1.7 Where ratepayers apply for relief they will be granted (or not granted) relief under the COVID-19 Additional Relief Fund (CARF) scheme in line with the following policy.

2.0 Discretionary Relief – Legislative Background

Introduction

- 2.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to ‘top’ up cases where ratepayers already receive mandatory relief.
- 2.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 2.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 2.4 The Council will expect all businesses to provide such information and evidence as required in order to determine whether relief should be awarded.
- 2.5 There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 2.6 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

3.0 Eligibility for discretionary relief under the COVID-19 Additional Relief Fund (CARF) scheme

- 3.1 Whilst the Council has determined its own scheme, the Department for Levelling Up, Housing and Communities has stated that, in order for the Council to receive the allocated funding, it must:
 - (a) **not** award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Expanded Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS);
 - (b) **not** award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government’s advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
 - (c) direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

- 3.2 In line with section 47(8) of the Local Government Finance Act 1988, the Council must not grant any relief to itself or to either local or major precepting authorities.
- 3.3 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where the Council has provided relief using its wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants.
- 3.4 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 (where hardship is proven to the Council), then there will be no requirement to grant CARF Discretionary Rate Relief for that amount.
- 3.5 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the relevant criteria are met irrespective of whether discretionary relief can be granted or not.

4.0 Discretionary Relief to be awarded under the COVID-19 Additional Relief Fund.

- 4.1 Over the past few years, a number of schemes (such as the COVID-19 Additional Relief Fund) have been led by Central Government but without specific legislative changes.
- 4.2 The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable.
- 4.3 In view of this, the Council has decided that where a ratepayer meets **all** of the relevant criteria, relief will be **xx%** of the 2021/22 liability **after** any other reliefs and reductions have been applied.
- 4.4 The criteria for the COVID-19 Additional Relief Fund are as follows:
 - (a) the ratepayer is **not** eligible (or would **not** be eligible) for the Expanded Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS);
 - (b) the ratepayer is not entitled to either Small Business Rate Relief or Rural Rate Relief granted at 100%;
 - (c) the ratepayer is **not** entitled to mandatory relief (80%) and discretionary (top up) of 20% which is funded through business rates retention;
 - (d) the hereditament is treated as occupied by the Council;
 - (e) the ratepayer confirms that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;

- (f) the ratepayer is **not** subject to Subsidy Control as defined within section 6; and
- (g) the hereditament is not excluded under the section 5 below

5.0 Excluded hereditaments

- 5.1 The Council has decided that the hereditaments / ratepayers within Appendix A will be excluded from relief under the Council's COVID-19 Additional Relief Fund (CARF) scheme.

6.0 Subsidy Control

- 6.1 The Council's COVID-19 Additional Relief Fund (CARF) scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries).
- 6.2 This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy.
- 6.3 Therefore, to be awarded CARF the ratepayer must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances.
- 6.4 Any COVID-19 business grants a ratepayer has received from local government generally and the 2019/20 Retail Relief should count towards this limit, but the ratepayer should not count any Extended Retail Discount they have received since 1 April 2020.
- 6.5 Further details of subsidy control can be found at:
<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>
- 6.6 The ratepayer will need to indicate to the Council:
 - if they have not to date received any subsidy which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances; or
 - if the ratepayer has received other such subsidies, they will be required to provide the name and total value of those subsidies.
- 6.7 A ratepayer must not apply for CARF if they have already exceeded the £2,243,000 allowance. However, the Council will still consider applications for support under the CARF scheme if they have reached this limit provided you can evidence that they:
 - (a) Intend to use the support to fund uncovered fixed costs (costs not covered by profits for insurance etc) during the period of COVID-19. Economic actors may

claim for up to 70% of their uncovered costs (although this 70% limit does not apply to small businesses with less than 50 employees and less than £9 million turnover where the limit is instead 90%); and

(b) Have shown a decline in turnover of at least 30% within the April 2020 to March 2021 period, compared to the same 2019 to 2020 period.

6.8 The ratepayer may claim up to a further £10 million of additional allowance (on top of the £2,243,000) if they meet the above tests and they have not claimed any other support from the additional allowance up to an aggregate £10 million limit (such as from the COVID-19 business grants).

6.9 Government and the Council will not tolerate any business falsifying their records or providing false evidence to gain this relief including claiming support above these thresholds.

6.10 A ratepayer who falsely applies for any relief or provides false information or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.

7.0 Effect on the Council's Finances

7.1 As Central Government leads this initiative, funding will be provided through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas.

7.2 In order to guarantee funding, the Council will ensure that the criteria in this policy are met in full

8.0 Administration of Discretionary Relief

8.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction. This is essentially laid down by legislation¹

Applications and Evidence

8.2 The Council will specify how (and if) applications are to be made and received. This may vary from time to time.

8.3 Where appropriate, ratepayers are required to provide such evidence necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for

¹ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

officers to visit premises and we would expect ratepayers claiming relief to facilitate this where necessary.

- 8.4 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties. Applications will be accepted from ratepayers only.**

Granting of relief

- 8.5 In all cases, the Council will notify the ratepayer of decisions made.
- 8.6 Where an application (if required) is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
 - If relief has been granted for a specified period, the date on which it will end.
 - The new chargeable amount;
 - The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
 - A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 8.7 Where relief is not granted, then the following information is provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
 - An explanation of the appeal rights (see below).
- 8.8 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision. Given the timing of this relief, awards will only be made for the 2021/22 financial year. I

Variation of a decision

- 8.9 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge (excluding rateable value increases) or a change in the Council's decision which increases the award – this will apply from a date determined by the Council as appropriate;

- Where the amount is to increase for any other reason, it will take effect at the expiry of a financial year unless it is granted for a fixed period;
 - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; and
 - Where the amount is to be reduced for any other reason, it will take effect from a date determined by the Council as appropriate;
- 8.10 A decision may be revoked at any time and a one-year period of notice will be given and the change will take effect at the expiry of a financial year. However, the Council will terminate the relief at any time the ratepayer fails to meet **any** of the relevant eligibility criteria.

9.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 9.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 9.2 The Council's scheme of delegation allows for the Business Rates Manager to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature, will be subject to consultation with the Council's Deputy Chief Executive & Chief Officer for Customer and Resources , prior to final determination.
- 9.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 9.4 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.

Appeals

- 9.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Business Rates Manager. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.

- 9.6 Where the ratepayer wishes to appeal the decision of the Business Rates Manager, the case will be considered by the Council's Deputy Chief Executive & Chief Officer for Customer and Resources whose decision on behalf of the Council will be final.
- 9.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

10.0 Reporting changes in circumstances

- 10.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible or in any event within 21 days of the change. This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 10.2 Where a change of circumstances is reported which would cease or revise eligibility, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

11.0 Fraud

- 11.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A Ratepayers / hereditaments excluded from the scheme

Agenda Item 5

Valuation Office Agency Scat code	Special category description	SIC code	SIC definition
	RETAIL SECTOR		
021	Banks/Insurance/Building Society Offices and Other A2Uses	K	Financial Services
	Retail - Shops Sub-sector		
024	Betting Offices	X	J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services
139	Hypermarkets/Superstores (over 2500m ²)	G	Wholesale and Retail
152	Large Food Stores (750 -2500m ²)	G	Wholesale and Retail
154	Large Shops (750 - 1850m ²)	G	Wholesale and Retail
155	Large Shops (Over 1850m ²)	G	Wholesale and Retail
235	Retail Warehouses and Foodstores	G	Wholesale and Retail
429	Post Offices	G	Wholesale and Retail
738	Builders Merchant	G	Wholesale and Retail
	OTHER SECTOR		
	Education Sub-sector		
065	Colleges of Further Education (National Scheme)	P	Education
085	Day Nurseries/Play Schools	P	Education
159	Local Authority Schools (National Scheme)	P	Education
	Health Sub-sector		
134	Hospitals and Clinics NHS (National Scheme)	Q	Health
436	Surgeries Clinics Health Centres (Contractors Valuation)	Q	Health
437	Surgeries Clinics Health Centres (Rental Valuation)	Q	Health
	Non Residential Institutions Sub-sector		
067	Community Day Centres	Q	Health
	Other - Other Sub-sector		
003	Advertising Right	J	Information and Communication
039	Car Parks (NCP and Multi-Storey)	Y	Transport
040	Car Parks (Surfaced Open)	Y	Transport
043	Car Spaces	Y	Transport
111	Funeral Parlours/Chapels of Rest	S	Other Services
	Other - Retail Sub-sector		
018	ATMs	K	Financial Services
250	Showhouses (National Scheme)	G	Wholesale and Retail

432	Sales Offices	L	Real Estate Activities
	Utilities Sub-sector		
066	Communication Stations(National Scheme)	J	Information and Communication
149	Landfill Gas Generator Sites	D	Energy
246	Sewage Works (NationalScheme)	E	Water and Waste Management
742	Independent DistributionNetwork Operator	D	Energy
743	Renewable Power Generator - Photovoltaic	D	Energy
	INDUSTRY SECTOR		
	General Industrial Sub-sector		
289	Vehicle Repair Workshops andGarages	G	Wholesale and Retail
	Industry - Storage & Distribution Sub-sector		
148	Land Used For Storage	Z	Storage and Distribution
267	Storage Depots	Z	Storage and Distribution
	Industry Other Sub-sector		
071	Concrete Batching Plants	C	Manufacturing
095	Exhaust and Tyre Centres	G	Wholesale and Retail
176	Mineral Producing Hereditament - Inert	E	Water and Waste Management

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**WHITE OAK LEISURE CENTRE: NEW BUILD AND OPERATOR PROCUREMENT -
PROGRESS REPORT**

Cabinet - 10 February 2022

Report of: Strategic Head of Property and Commercial

Status: For Decision

Also considered by:

- Cabinet - 10 February 2022
- Council - 22 February 2022

Key Decision: No

Executive Summary:

On 21 April 2020 Council granted approval for the construction of a new leisure centre and the demolition of the existing White Oak Leisure Centre. Works commenced on site in May 2020 and construction has taken place at a steady pace. The Council has demonstrated prudent financial and project management discipline on this project and has under originally planned circumstances incurred a total project cost variance of 2.18%. However, unforeseen abnormal site conditions were encountered during ground works, resulting in unexpected costs and delays to the envisaged programme. The new leisure centre is now due to achieve practical completion on the 11 February 2022. Despite unforeseen challenges the Council has avoided disruptions and has been able to keep the disruption to leisure services for residents in Swanley to an absolute minimum.

This report provides an update of progress made on the scheme and details of additional costs associated with the construction.

This report supports the Key Aim of: safe and caring communities, green and healthy environment and a dynamic and sustainable economy.

Portfolio Holder: Cllr. Peter Fleming

Contact Officers: Detlev Munster, Ext. 7099

Adrian Rowbotham, Ext. 7153

Recommendation to Cabinet:

That:

(a) recommendations (a) to (c) below are recommended to Council.

Recommendation to Council:

- (a) Notes the progress made on the scheme despite difficult market conditions associated with the Covid-19 pandemic and abnormal site conditions encountered and notes the Council's ability to minimise disruptions to leisure services for the local community.
- (b) Notes that due to unforeseen circumstances that additional costs associated with the construction of the scheme had to be incurred.
- (c) Approves an increase to the Capital Programme by up to £2,995,379 recognising that a significant portion of this amount is a risk assessed contingency and may not materialise.

Reason for recommendation: To allow completion of the new leisure centre and demolition of the existing White Oak Leisure Centre by providing additional funding for this important community resource in Swanley.

Introduction and Background

- 1 In 2020 Sevenoaks District Council (SDC) embarked on its largest project in over 30 years. The building work for the new White Oak Leisure Centre in Swanley began in May 2020. The new modern, energy efficient, bright and open facility will replace the existing leisure centre, which due to its age and condition had reached the end of its serviceable life.
- 2 The new leisure centre is being constructed adjacent to the existing White Oak Leisure Centre so that the existing leisure centre can be kept operational during construction. This will allow the Council to maintain continuity of leisure services for the local community.
- 3 The scheme is phased in three parts:
 - a) Phase 1 - Construction of the new leisure centre;
 - b) Phase 2 - Demolition of the existing leisure centre and construction of new car parking; and
 - c) Phase 3 - Construction of enabling residential development on the site of the demolished leisure centre to partly fund the new leisure centre.
- 4 The construction project operates a robust formal change control process managed by an external contract administrator with close oversight by the Council's internal project management team. All proposed changes and alternative options are appraised in terms of cost, time and quality implications. While these appraisals are undertaken collaboratively with the contractor, both the contractor administrator and the Council undertake further independent detailed investigations where possible, prior to making a project decision.
- 5 To date there have been several Change Instructions administered under the contract and many of these changes were covered by contingency allowances.

Update on Progress of the Development Scheme

- 6 On 13/02/2020 the Development Control Committee approved a hybrid planning application (reference 19/02951/HYB) for:
 - Full application for a new leisure centre and associated parking at White Oak Leisure Centre site in Swanley
 - Outline application for enabling residential development on the site of the current White Oak Leisure Centre
- 7 SDC entered into a Development Management Agreement with Alliance Leisure Services (ALS) for the construction of a new leisure centre and demolition of the existing leisure centre; and a Leisure Operating Contract with Sport and Leisure Management (SLM).

Agenda Item 6

- 8 The construction contractor, ISG, was appointed and started works on site on 26/05/2020.
- 9 Works to date include: site set up; archaeological investigation; sewer diversion; piling; soakaways and voids mapped and remedial works; ground beams; drainage; pool construction; steelwork superstructure; roof and wall cladding; brise soleil; flooring; block and brickwork; drylining; lift shafts and stairs; mechanical and electrical works, and fitting out the new premises with equipment. See Appendix A showing current pictures of the Leisure Centre.
- 10 Due to the Covid-19 pandemic the contractor has implemented additional site control measures in accordance with construction industry guidelines including engaging with their supply chain regarding labour and material issues, social distancing, increased hygiene and welfare facilities.
- 11 Planning conditions have been discharged, Building Control has undertaken regular site inspections and the Council's Clerk of Works has issued regular reports.
- 12 The contractor ISG has also prepared and implemented a social value plan. This has included donating PPE to a local swimming club, installing top soil and seeding an outdoor play area at Oaks Day Nursery and supporting the charity 'We Are Beams', which supports over 450 families. In addition to this, ISG has installed bat boxes, removed rubbish and weeds and pruned trees and shrubs around White Oak. The contractor has also provided an education out-reach programme by attending local schools to give insight into the 'built environment'.
- 13 Officers have worked closely with Orchards Academy and The Kemnal Academies Trust (TKAT) regarding improvements to their sports hall. TKAT's Asset Programme Manager has taken the lead on delivering the improvement plan for Orchard Academy's sports hall, which will enable them to work agilely through the procurement process and ensure value for money. Officers have assisted the school to secure the additional funding required to complete the project. The Council and TKAT have also agreed a community use plan that will allow local community groups the ability to use the sports facilities at the school. TKAT remain committed to supporting the local community, but are currently in liaison with KCC and the Department for Education regarding a recent unforeseen drainage issue, which resulted in significant flooding of school buildings, including the sports hall, and may impact the school's improvements timescales and proposals.
- 14 A Deed of Variation was completed in July 2020 to accommodate the works to the site at the Leisure Centre which falls within the demise of Sencio's lease. In June 2021, in accordance with the terms of their lease, Sencio were served a break notice to terminate the lease at White Oak Leisure Centre on 16th January 2022. Applicable Sencio staff will TUPE to the new leisure operator Everyone Active on 17th January 2022.

- 15 The old leisure centre will no longer be operational from the 13 January 2022, and arrangements are in place to remove, decant and dispose any remaining inventory and to disconnect existing services. On the 17 January, the old leisure centre will be handed over to the main contractor to finalise the existing building's decommissioning and commence with demolition works, which includes the removal of asbestos.

Soakaways and Voids

- 16 A series of soakaways (5 concrete manhole chambers 1.8m wide and 18m deep) and large voids (33m³, 23m³, 3m³ some 15m below ground) located within the footprint of the new leisure centre were discovered during the ground works. They were not identified in the pre-construction ground investigation surveys nor in the due diligence investigations and searches undertaken. Kent County Council (KCC) was also not aware of the soakaways as they did not appear on their asset register, but following investigation, KCC confirmed the soakaways were their assets.
- 17 The soakaways and voids were consequently surveyed to determine their full extent and additional geotechnical and structural engineering advice was obtained. The soakaways and voids were subsequently infilled and piling foundations had to be reconfigured around the soakaways and voids. The discovery and remedial works undertaken has resulted in delays and additional costs.
- 18 Despite having agreed a new drainage system with KCC, Thames Water and the local planning authority, a new permanent drainage system needed to be re-engineered and a temporary drainage solution had to be agreed for an interim period. KCC also required additional investigations and modelling of the areas drainage network be undertaken before a permanent solution could be agreed. Discussions with Thames Water and KCC were protracted due to poor records held by all three parties, but the Council undertook additional survey works to expedite the matter. A permanent drainage system was finally agreed in November 2021. The temporary and new permanent drainage systems together with associated impacts (such as for example the need to provide temporary access arrangements to the new leisure centre), have resulted in additional costs.

Covid and Brexit

- 19 Proactive Covid-19 and supply chain management has ensured that these two issues would not have a significant detrimental impact on the project. However, not all issues could be fully mitigated and delays with the receipt of some materials caused programme slippage of up to 7 weeks. This in turn has placed pressure on costs.

Asbestos

- 20 While asbestos surveys were undertaken of the existing leisure centre, given the need for the existing leisure centre to remain operational, R&D asbestos

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surveys could not be undertaken. While an allowance for asbestos was made at the start of the contract, further investigations undertaken in September and October 2021, revealed the existence of asbestos in unexpected areas and the allowance originally made is no longer considered to be sufficient.

Additionally, the full extent of the presence of asbestos cannot be ascertained with certainty at this point in time. It will only become known once the existing centre is no longer operational and demolition works commence.

Decommissioning of the existing leisure centre

- 21 Several costs associated with the decommissioning of the leisure centre only became apparent following the termination notice that was issued to Sencio in June 2021. Such costs included the need to remove certain fittings and furniture and soft strips associated with demolition, and contract penalty clauses associated with the early termination of certain services. In addition, the final cost for demolishing the old leisure centre and making good adjacent site boundaries need to be brought in scope, and these works were only tendered in October 2021.

New operator

- 22 A good working relationship has been established with the new operator, Everyone Active (EA), which is part of Sports and Leisure Management (SLM) Limited, and their input has been sought throughout the construction period and advice sought on proposed Change Requests.
- 23 EA has updated its operational plans to reflect the revised opening date in February 2022. A membership marketing suite was established in November 2021. EA will oversee the TUPE transfer of Sencio staff on 17 January 2022 and the new leisure centre's opening in February 2022.

Project Timetable

- 24 Table 1 below provides an overview of the project's programme and highlights overall slippage to the project by circa 3 months.

Table 1 Key Dates			
Stage	Detail	Original	Revised
Statutory approvals	Planning consent	13 February 2020	Achieved
Building Control	Building Regs approval	12 March 2020	Achieved
Project approval	Council project approval process	22 April 2020	Achieved
Project approval	Development agreement	22 April 2020	Achieved
Project approval	Instruct contractor	24 April 2020	Achieved
Construction	Mobilisation	22 May 2020	Achieved

Construction	Start on site	25 May 2020	Achieved
Construction	Phase 1 complete	12 November 2021	17 January 2022
Operator	Sencio WOLC lease terminates		23.59 16 January 2022
Construction	Centre handover	15 November 2021	12 February 2022
Construction	Fit out and training	26 November 2021	January 2022
Construction	Asbestos R&D of existing centre	3 December 2021	February 2022
Operator	New Centre opens (TBC by EA)	29 November 2021	12 February 2022
Construction	Existing centre strip out and demolition	3 December 2021	From 17 January 2021
Construction	Car park works	13 May 2022	August 2022

Costs

- 25 The original project budget approved for this project in April 2020 was £20m. Prior to approving this budget, numerous discussions took place with ALS to establish the budget, review the risk register and establish an appropriate client contingency allowance. Based on due diligence work undertaken at the time a contingency allowance of £657,308 was made. This allowance included provision for asbestos removal and demolition works, as well as an allowance for potential risk items and client changes.
- 26 The client contingency allowance made at the time was considered prudent and represented 3.9% of the total build cost and this is in addition to a 2% provisional sum allowance made by the contractor. ALS has advised that these figures closely align with other leisure centre projects they have and are managing.
- 27 The draw-down to date against the provisional sum allowance and the client contingency is considered reasonable and would have been sufficient if the scheme would not have encountered unforeseen events. The additional costs associated with the unforeseen events and forecast overspend are shown in Table 2. The additional costs have been reviewed by Alliance Leisure and internally within the Council.
- 28 The Council together with ALS, their consultants and the main contractor has carefully assessed any potential outstanding risks (See Appendix B). While the need for as much cost certainty as possible is appreciated, the process of quantifying remaining risk is not a precise exercise. However, appropriate mitigation has been applied as much as possible. The remaining risk items have consequently been given an assessed value.

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Table 2: Additional Costs Summary

	Item	£
1	Covid 19 site control measures	£76,500
2	VOIDS mapping and remedial works (includes cost of delay to programme)	£474,373
3	Soakaway temporary solution (includes cost of delay to programme)	£419,907
4	Soakaway permanent solution	£288,687
5	Changes to specification (e.g. power for electric sub-station, drainage diversion, gym finishes, temporary entrance footpath, post completion hoarding)	£245,658
6	Increase to asbestos removal to existing White Oak Leisure Centre and party wall area with Bowls Club	£451,833
7	Decant of existing White Oak Leisure Centre	£230,182
8	Expenditure outside works contract (e.g. consultants, surveys, CCTV upgrade, soakaways downstream, Sencio contract penalty payments, capitalisation of salaries)	£300,932
	<i>Sub Total</i>	<i>£2,488,073</i>
9	Unforeseen costs estimate to end of construction project	£1,164,614
	Project Budget Contingency	-£657,308
	Total Construction Project Forecast Overspend	£2,995,379

- 29 From Table 2 it can be noted that the largest part of the additional costs incurred relates to the soakaways and the voids (c. £1.3m).
- 30 Details of the contract variations (Instructed and Anticipated), are shown in the background document Financial Statement no 19, 22/12/2021. It is worth noting that there have been seven variations that have had nil financial cost to SDC and £21,826 variations funded by others (SLM and ALS). Additionally, SDC negotiated £66,000 savings relating to an attenuation pump and new electrical service.
- 31 A provision of c. £450,000 (originally £230,000) has now been made for the removal of asbestos, but because this remains an unknown element, it has been given a high outstanding risk weighting, and an additional contingency allowance has been made (included under item 9).
- 32 As ground conditions under the existing leisure centre cannot be assessed, and given the abnormal ground conditions encountered during the construction of the new leisure centre, a prudent allowance has also been included under the revised contingency Item 9.
- 33 Item 9 in Table 2 therefore provides an assumed risk based assessed contingency for unforeseen works during the demolition of the existing White Oak Leisure Centre, further potential Brexit/Covid related delays and costs, and extra consulting/staffing costs. Appendix B, provides an overview of remaining risks which are being closely managed by ALS, the contractor and the Council.
- 34 A review of fixtures, fittings and furniture at White Oak Leisure Centre has taken place together with any contractual penalties associated with terminating existing services and contracts. Sencio has confirmed that assets belonging to them will be removed from site and stored elsewhere

prior to the termination of their lease on 16th January 2022. Sencio and Everyone Active are liaising with customers and clubs who currently store assets on site to ensure that these are also removed or if applicable, moved to the new leisure centre. The Council is under a statutory obligation to store any unclaimed items, and the removal and temporary storage of these items has been factored into the additional cost budget.

- 35 The remaining assets, which form part of the White Oak Leisure Centre lease, have been divided into two; those identified as operationally advantageous to be transferred from the White Oak Leisure Centre lease to Sencio's other facilities and those remaining which the Council will remove by 31st January 2022. The costs to carry out this decant of the building are £230,000 and will be managed by ISG who will take full responsibility of the building and contents during this time.
- 36 Due to long-term sickness issues within the Council, the Council has also had to bring in additional staffing resources to closely manage the project, and has also needed to seek external specialist advice on the unforeseen events. These have resulted in additional costs.
- 37 Close on £2m of additional costs can be attributed to the abnormal ground conditions and asbestos issues. The remaining contingency for unforeseen events of £1.164m is an assessed risk allowance. As such this funding will only be drawn down if needed.
- 38 In benchmarking this project against other similar projects, excluding the additional risk contingency being provided, the final accounts for the project would suggest an overspend of £436,000, which represents a total project cost variance of 2.18%. This is considered to be exceptionally good given the type of project and nature of contract the Council has entered into and demonstrates good project discipline and project management by the Council.

Income

- 39 Delay in the construction programme (due to the impacts of unforeseen site conditions, Covid-19 and Brexit causing issues with the supply of materials and personnel) has pushed back the completion date from November 2021 to early February 2022. The expected net income from the new operator contract has therefore been adjusted accordingly by Sport and Leisure Management (SLM) trading as Everyone Active. This has seen a reduction of c. £1,000 to the 15-year net income to the Council which has been re-profiled across the contract, with operator costs continuing to be incurred by the Council in years 1 and 2 of the contract. There is an option to extend the contract for a further 5 years with indicative income for that period remaining at the same level or higher.

Funding

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40 Various options were considered to fund the identified budget shortfall. These ranged from identifying potential value engineering options, including specification changes to reduce costs, changes to the construction programme, and reviewing the administrative and contract arrangements for the project. Further details are provided in Section 47 under Options.

41 The funding previously approved for this scheme is as follows:

Table 3:

Funding Source	£m
CIL funding	0.9
Capital receipts	10.1
External borrowing	8.0
Total	20.0

42 It is proposed that the budget shortfall of £2.995m is funded as follows:

Table 4:

Funding Source	£m
External borrowing	1.900
Use of reserves	1.095
Total	2.995

43 The initial £8m of external borrowing was obtained via a 20-year annuity loan from the Public Works Loan Board (PWLB) on 19 November 2021 at an interest rate of 1.7% which results in an annual cost of £472,000. The original report assumed an annual cost of £508,000 to match the average annual payment from the operator. Therefore, a further £600,000 could be borrowed on the same basis at the current rate of 1.99% (12/01/22) without having an additional revenue impact. Every £1m borrowed in excess of the above amounts would result in an additional annual revenue cost of £62,000. In addition to the £600,000 above, a further £1.3m could be borrowed on the same basis by adjusting the ongoing increase assumption for the superannuation fund deficit. This will be reviewed during the 2023/24 budget process after the next triennial valuation of the fund later in 2022.

44 A review of reserves has taken place as part of the annual budget setting process and £1.095m could be removed from the Budget Stabilisation Reserve to fund part of the budget shortfall on this scheme.

45 The original scheme included funding of £10.1m from the future sale of Council assets (capital receipts) but the amount available will depend on actual sale proceeds in the coming years. In the meantime, any shortfall will be funded by internal borrowing which will have a revenue impact via a Minimum Revenue Provision (MRP) from the financial year after the scheme is completed as included in the Council's Treasury Management Strategy.

- 46 The split of funding may change due to actual development costs, the cost of borrowing at the time loans are taken out and the amount of capital receipts received. As noted in Section 28, the additional contingency of £1.164m is risk assessed and many of these risks may not materialise.

Options

- 47 The following options were also considered to fund the unexpected additional costs associated with the construction.
- a. Identify routes to recover costs from third parties. Officers continue to explore all appropriate avenues including seeking legal advice.
 - b. Identify further cost savings by value engineering the remaining scheme. Several review exercises were undertaken by SLM/ALS/SDC. Only £31,217 modest savings were achieved as other potential VE options would adversely affected quality/specification or compromise the operator contract. The Project VE Summary Report 17/02/2021 sets out pre-contract VE aimed at reducing the overall budget of the scheme, and possible VE items remaining (finishes, furniture, fittings and equipment).
 - c. Re-programme the projects timeline to seek savings by reducing overall project duration. Consideration was given to closing and demolishing the existing leisure centre in November 2021 per the original programme. This was rejected since the estimated £50-70,000 capital build cost saving by closing the leisure centre on 12/11/2021 would be outweighed by obligations to the future leisure operator, including to provide membership data and TUPE issues.
 - d. Consideration is being given to increase densities on the residential phase to provide additional capital receipts. However, it is important to note that this approach to raise funding is not guaranteed and further detailed feasibility work is required. Additionally, the residential scheme will need to obtain planning consent and the entire scheme is subject to market and economic conditions.
 - e. Status quo option. This option involves not increasing the project budget. This option is not considered feasible as the Council is under a contractual obligation to fund the scheme despite other avenues available to it to seek alternative funds. Were the Council not to increase the budget there is a very high probability that the contractor will stop further works, which not only will delay the project but could result in additional costs associated with the contractor's remobilisation. Additionally, non-payment could result in legal action being undertaken against the Council.

Financial Implications

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- 48 The Sencio lease agreement dated 2004 notes that there are fittings and furniture items that belong to the Council. From an accounting perspective these assets would have fully depreciated over the past 16 years. However, a residual value is anticipated but this value is nominal on an item by item basis. A comprehensive analysis of remaining inventory/assets was undertaken, and confirmed that remaining items would have a nominal value, but no individual item was found to have a value exceeding £10,000. The potential cumulative value of remaining items is also considered to be no more than £10,000. The Council's Financial Standing Orders requires Cabinet approval to dispose non-property related assets that may have a value exceeding £10,000. As such the disposal of these redundant items has been approved by the S151 Officer in accordance with the Council's Financial Regulations.
- 49 Council approved the funding of this capital scheme in April 2020 and allocated a budget of £20m. A contract was entered into with Alliance Leisure Services and the additional cost and anticipated spend of £2.995m identified in Table 2 above will require additional funding. While the project had made adequate contingency provisions, the issues encountered were unexpected and significantly exceeded the contingency allowance included in the original budget.
- 50 The additional funding is to be allocated from the sources included in table 4.

Legal Implications and Risk Assessment Statement

- 51 Due diligence exercises were commissioned to ensure known potential risks were mitigated including investigations of the site's present condition and its past history. Additionally, appropriate contingencies were originally put in place for potential unforeseen circumstances. Given the due diligence exercises commissioned, including investigations of the site's present condition and its past history, these outcomes could not have been reasonably foreseen by the Council in advance and in the early stages of this project.
- 52 Whilst stringent mitigation measures are being undertaken and the project is being bolstered with additional funds, the risk of future cost escalation cannot be fully ruled out. Several significant risks to the project still remain. These include: obtaining final sign-off from KCC for the soakaway permanent solution; decommissioning of the existing leisure centre; unknown factors regarding the demolition of the existing leisure centre where the exact extent of asbestos is unknown despite survey investigation undertaken. The client contingency and costs associated to these unforeseen works has been revised in 'Table 2 Additional Cost' above to reflect these based on the current information available. As such an additional contingency allowance (Item 9 Table 2 above) has been made on an assessed risk value basis.

- 53 Officers are continuing to consider all appropriate routes for recuperation from third parties.
- 54 It is important to note, that this report is being presented to Council to approve a revised budget allocation in accordance with its Financial Regulations. It does not imply acceptance of the costs.

Equality Assessment

- 55 As per the approved 21 April 2020 Council report.

Sustainability

- 56 A sustainability checklist has been completed and a positive impact is anticipated as per the approved 21 April 2020 Council report.

Conclusion

- 57 The scheme's development has been impacted by issues beyond the Council's control. Despite commissioning all the normal expected pre-construction ground investigation surveys and due diligence and having a robust contingency in place, these were not sufficient to mitigate against the additional cost incurred by the project.
- 58 The Council has demonstrated prudent financial and project management discipline on this project as evidenced by a reasonable total project cost variance of c 2.18% excluding the unforeseen and unfortunate events encountered.
- 59 Additional funding is therefore required to achieve scheme completion and ensure the new leisure centre is operational for local residents.
- 60 The Council continues to pursue options that will reduce costs and avoid further delays.

Appendices

Appendix A: Photos

Appendix B: Risk Register Summary

Appendix C: Costs (Commercially confidential) exempt from publication

Background Papers

Report to Council - 21 April 2020 'White Oak Leisure Centre: New build and Operator Procurement'

'Soakaways and Voids Cost Breakdown (from 'New White Oak Leisure Centre, Swanley. Soakaways And Voids Cost Split Summary; 06 August 2021' Axiom Project Services)

'Alliance Leisure Services Ltd, New Leisure Centre Development, White Oak, Swanley. Historical Soakaway System Summary; 03 March 2021' Axiom Project Services

Axiom Project Services, White Oak Leisure Centre, Swanley; Financial Statement No.19, 21 December 2021'

Alliance Leisure Services Limited, New Leisure Development, White Oak Leisure Centre, Swanley, Remaining Critical Path and Risk Items, Revised 06 December 2021. (exempt from disclosure under paragraph 3 of Schedule 12A of the Local Government Act 1972)

'Alliance Leisure Services Limited, New Leisure Development, White Oak Leisure Centre, Swanley; Project Value Engineering Summary 17 February 2021' (exempt from disclosure under paragraph 3 of Schedule 12A of the Local Government Act 1972)

Detlev Munster
Strategic Head of Property & Commercial

Appendix A - Photos



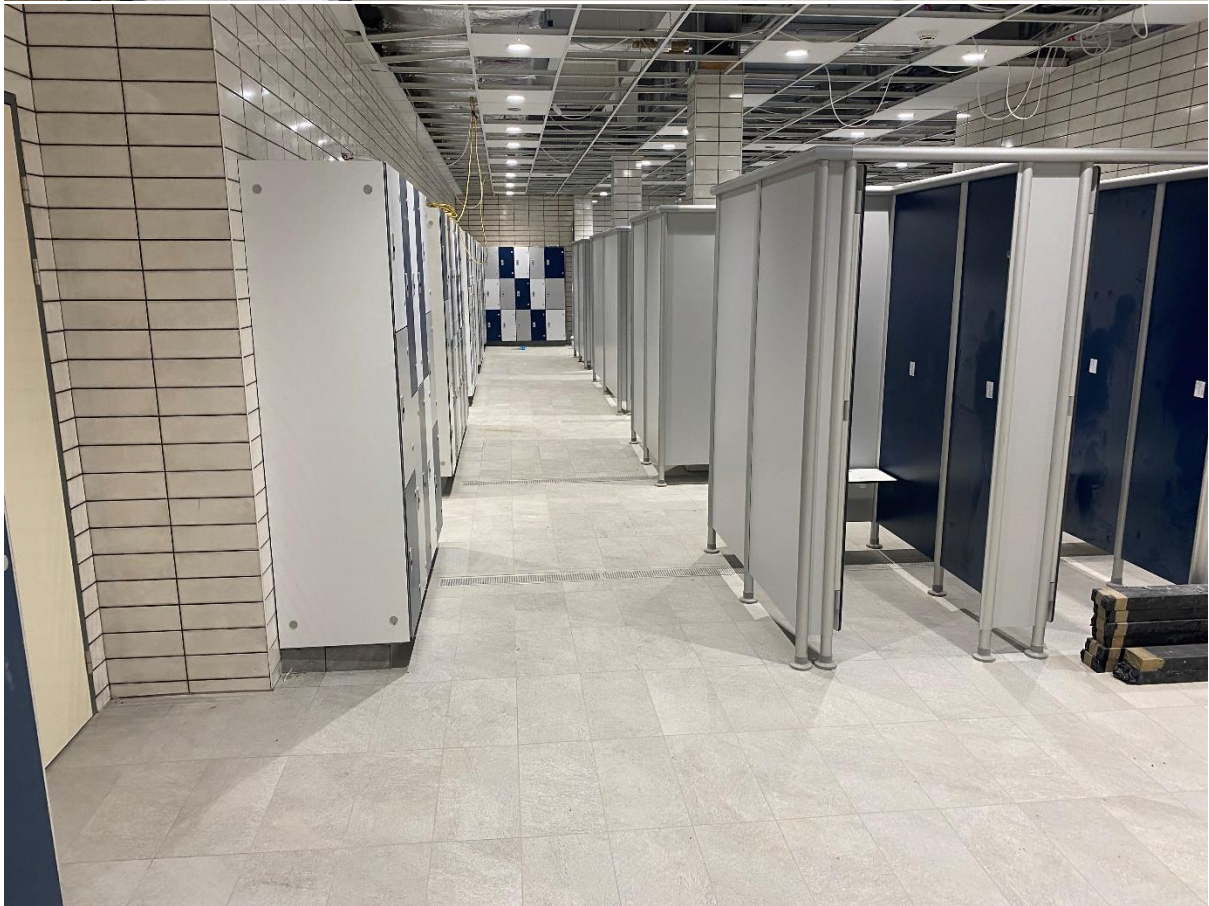
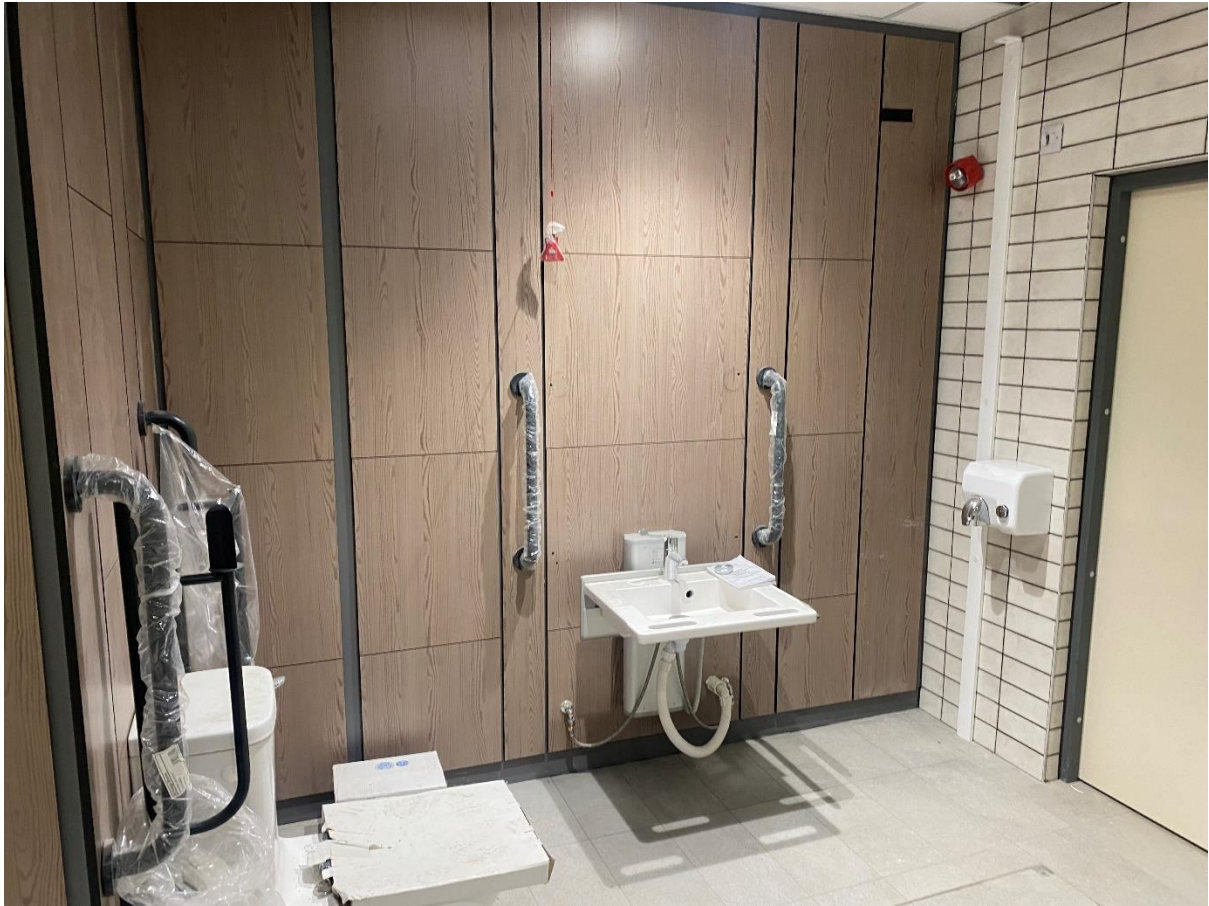
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Appendix A - Photos



Appendix A - Photos



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Appendix A - Photos



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Appendix A - Photos



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Appendix A - Photos



Appendix A - Photos



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APPENDIX B: RISK REGISTER

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Project risk overview

Project name: White Oaks Leisure Centre

Rev 01

Date 03 / 11 / 2021

NOTE: Where the owner is noted as SDC (Sevenoaks District Council) and it refers to SDC as being the ultimate risk owner, for the purpose of the JCT Contract between ISG Construction Ltd (ISG) and Alliance Leisure Services Ltd (ALS) where the risk owner is noted as SDC the risk is borne by ALS

REF	DESCRIPTION	Status	CONTROL STRATEGY	OWNER
SDC01	Planning Conditions	Active	Refer to planning tracker, discharge of conditions where practical to be prior to construction	SDC (as per planning condition tracker)
SDC02	Party Wall Conditions	Active	Bowls club notice to be served.	SDC
SDC03	Construction Inflation (rising costs)	Active	If there are variations this could have an impact on the level of costs.	SDC
SDC04	Ground conditions	Active	This relates to demolition of slab in Phase 2 in relation to asbestos found in the slab and any other unknowns including in the new car park area.	SDC
SDC05	Cost risk to provisional sums	Active	There are only two provisional costs to resolve which are service diversions and permanent highways cost.	SDC
SDC06	Dealing with local community issues and concerns	Active	Any issues with neighbours or local groups.	SDC
SDC07	Exceptionally adverse weather conditions	Active	The construction programme takes into account weather conditions that could be reasonably be expected for the time of year the relevant operations are being undertaken. Regular monitoring of forecast weather conditions and planning to prevent costs being incurred for abortive site visit.	SDC
SDC08	Client Design Change	Active	Any further changes could now have an impact on the programme due to the close proximity of completion date.	SDC
SDC09	Location of unknown existing services and wayleaves	Active	Any unknown services found could delay the programme.	SDC
SDC10	Brexit Implications	Active	Any delays due to materials or drivers shortages	SDC
SDC11	Isolation / Disconnection of Privately Owned Services	Active	SDC to organise disconnection of existing leisure centre.	SDC
SDC12	Right of access to land outside SDC ownership affected by works	Active	SDC to liaise with adjacent land owners	SDC
SDC13	Flooding of existing leisure centre	Active	SDC are responsible for the flooding issues in relation to existing leisure centre.	SDC
SDC14	IT Requirements	Active		SDC

Project risk overview

Project name: White Oaks Leisure Centre

Rev 01

Date 03 / 11 / 2021

NOTE: Where the owner is noted as SDC (Sevenoaks District Council) and it refers to SDC as being the ultimate risk owner, for the purpose of the JCT Contract between ISG Construction Ltd (ISG) and Alliance Leisure Services Ltd (ALS) where the risk owner is noted as SDC the risk is borne by ALS

REF	DESCRIPTION	Status	CONTROL STRATEGY	OWNER
SDC15	Coronavirus	Active	Whilst the impact is unknown the situation is being closely monitored both in respect of supply chain and site impact. In all cases the team will seek to mitigate covid-19 related impact as far as practically possible.	SDC
SDC16	Planning Conditions	Active		SDC
ISG01	Supply chain subcontractor and/or supplier insolvency	Active	ISG operate regular robust commercial reviews of all our supply chain subcontractors and suppliers to ensure that there is a reduced risk of selection subcontractors / suppliers that are at risk of insolvency. On larger work packages then PCGs and Bonds are requested as a matter of course.	ISG
ISG02	Out of Hours Site Security	Active	ISG have secure timber hoardings / heras fencing with lockable gates in place, the site compound is secured by solid hoardings / heras fencing (as appropriate) with lockable secure gates. All cabins are secured out of hours.	ISG
ISG03	Service Strike	Active	ISG have a rigorous safe system of works process for all activities that involve breaking ground. This includes having all record/utility plans, undertaking CAT Scan, line marking services and trial pit inspections, followed by control of excavations using a Permit to Dig system.	ISG
ISG04	Vehicle / pedestrian interface	Active	Robust traffic management plan with pedestrian & vehicle segregation measures implemented.	ISG
ALS01	Co-ordination and implementation of ALS /EA Fit Out Works	Active	ALS & EA Fit Out items include Tag Active, Soft Play, Fitness equipment and Loose FFE.	ALS / EA

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BUDGET AND COUNCIL TAX SETTING 2022/23

Cabinet - 10 February 2022

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

Status: For Decision

Also considered by:

- Council - 22 February 2022

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 the proposed budget and required level of Council Tax for 2022/23.

Based on the changes detailed in this report, **this Council will once again have a balanced 10-year budget.**

The report proposes a net expenditure budget of £17.297m in 2022/23 (£16.783m in 2021/22). Subject to any further changes this would result in a **Council Tax increase of 2.2% in 2022/23, with the District's Council Tax being £229.86 for a Band D property for the year (£224.91 in 2021/22), an increase of £4.95.**

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

Portfolio Holder: Cllr. Matthew Dickins

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

Alan Mitchell, Ext. 7483

Recommendation to Cabinet:

- (a) Consider the savings proposals in Appendix E (ii) and recommend including them in the budget.
- (b) That recommendations (a) to (e) below be recommended to Council.

Recommendation to Council:

- (a) The Summary of Council Expenditure and Council Tax for 2022/23 set out in Appendix F be approved.
- (b) Approve the 10-year budget 2022/23 to 2031/32 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix C to the report, including the growth and savings proposals set out in Appendix E to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve.
- (c) Approve the Capital Programme 2022/25 and funding method set out in Appendix J(i) and Capital Strategy 2022/23 set out in Appendix J(iii).
- (d) Approve the changes to reserves and provisions set out in Appendix K.
- (e) That the Local Council Tax Reduction Scheme 2021/22, be rolled forward to 2022/23, with effect from 1 April 2022 (Appendix M).

Due to their length and complexity, the further recommendations have been produced as a separate document (Appendix Q).

Introduction and Background

- 1 The Council's financial strategy continues to aim for long-term financial health and continues to work towards increasing financial sustainability. It has been successful through the use of a number of actions including:
 - implementing efficiency initiatives.
 - significantly reducing the back-office function.
 - improving value for money.
 - maximising external income.

- the movement of resources away from low priority services.
 - 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 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.
- 4 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 rates base.
 - generating more income.
- 5 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.
- 6 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between September and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which will be considered at this meeting.
- 7 Cabinet have received Budget Update reports on 9 December 2021 and 13 January 2022 which contained updates to the Financial Prospects report and considered further growth and savings items.
- 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

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them with a shortfall of £12 per person. This ‘unfunded pressure’ reflects high reliance on Sales Fees and Charges, especially from 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 B**.
- 11 An audit of the 10-year budget process has 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 Associations Peer Challenge of the District Council during December 2013. In their closing letter to the Council, they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'. A further Peer Challenge has recently been completed and the outcome will be provided to Members.
- 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.

Covid-19 Impact

- 18 A number of Covid-19 related financial adjustments were made in the last budget cycle relating to both reduced income and increased expenditure. These have continued to be monitored throughout this budget process.

Local Government Finance Settlement

- 19 The Provisional Local Government Finance Settlement for 2022/23 was announced on 16 December 2021. The most relevant elements for this Council are included below.
- 20 The settlement relates to 2022/23 only.
- 21 A **Lower Tier Services Grant** of £103,000 has been included for 2022/23. This one-year payment is to ensure that no authority has a total Core Spending Power less than in 2021/22.
- 22 A **Services Grant** of £159,000 has been included for 2022/23. It would appear that this is to fund the additional cost to councils of the new Health and Social Care Levy.

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- 23 **New Homes Bonus (NHB)** funding of £810,000 has been included for 2022/23. The attached 10-year budget assumes no NHB. As previously agreed, any amounts received will be put into the Financial Plan Reserve to support the 10-year budget including 'invest to save' initiatives and support for the Property Investment Strategy.
- 24 **Council Tax increase** - It was announced that the referendum limit for 2022/23 was an increase of 2% or £5 for a Band D property if higher.
- 25 **The Final Local Government Finance Settlement** for 2022/23 had not been released at the time of writing this report. Members will be updated of any relevant differences in the final settlement compared to the provisional settlement.

Updates on Assumptions

- 26 **Government Support: Revenue Support Grant (RSG)** (£nil received in 2011/22) - This formula-based grant has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council has continued to receive no RSG since 2017 and is not expected to receive any in future years. The attached 10-year budget assumes no RSG, if any amounts are received in future years, they will be put into the Financial Plan Reserve to support the 10-year budget including 'invest to save' initiatives and support for the Property Investment Strategy.
- 27 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.
- 28 **New Homes Bonus (NHB)** (£1.2m 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).
- 29 In the same way as RSG, the attached 10-year budget assumes no NHB resulting in there being no reliance on this funding source to support the revenue budget. Any funding received will be put into the Financial Plan Reserve for the same purpose as noted above.
- 30 It is expected that NHB will soon end.
- 31 **Council Tax** (£11.4m) - in the Provisional Local Government Finance Settlement it was announced that the referendum limit for 2022/23 was an increase of 2% (or £5 for a Band D property if higher). The Final Local Government Finance Settlement had not been announced at the time of writing this report so the referendum limit may change. At the Cabinet

meeting on 13 January 2022 Members recommended to change the Council Tax increase assumption for 2022/23 to £4.95 for a Band D property (2.2%).

- 32 This recommendation would result in Band D Council Tax increasing from £224.91 in 2021/22 to £229.86 in 2022/23.

2022/23 Council Tax	Original Assumptions	Proposed Assumptions
% Increase	2.00%	2.2%
£ increase (Band D pa)	£4.50	£4.95
£ (Band D pa)	£229.41	£229.86

- 33 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.
- 34 The Council Tax Base has increased from 50,876.85 to 51,514.27 Band D equivalent properties. That is an increase of 637.42 (1.25%) which is below the previously assumed increase of 717 (1.41%).
- 35 The tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing work to check the validity of Council Tax discounts awarded. The assumption going forward reflects the increases achieved in recent years and the ongoing work. The increased tax base results in additional Council Tax income which is assumed to be greater than the incremental cost of servicing the additional properties 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 may also affect future Council Tax assumptions.
- 36 **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 £32m of Business Rates in 2021/22.
- 37 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. To maximise the benefit of the pool across the county, this council and others are not part of the pool but benefit as if they were in the pool.
- 38 Due to the large number of business rates appeals being outstanding with the Valuation Office Agency (VOA) and the limited opportunities to increase the number of businesses in the district, the assumption in the 10-year budget remains at the safety-net level, which is the amount of business

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rates the council is assured of retaining in the current scheme if it were not in a pool.

- 39 The Government has continued to delay carrying out the 'Fair Funding Review' and 'Business Rates Retention Reform'. There is 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.
- 40 **Interest receipts** (£0.2m) - Returns have continued 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. As supported by Members, the Council is in the process of investing £5m in Multi-Asset Income Funds (MAIF) with the aim of obtaining greater returns and achieving the budget assumption.
- 41 The Treasury Management Strategy will continue to be reviewed and a separate report on the strategy is being reported at this meeting.
- 42 **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.
- 43 To date six assets have been purchased or built by the Council and five by Quercus 7 at a combined cost of £35m.
- 44 As explained in the Property Investment Strategy Update report being presented at this meeting, the income assumptions have not been amended this year. Changes to the Public Works Loan Board (PWL) and Prudential Code will impact the opportunities to make further property investments within the strategy. Since the Property Investment Strategy Update report was written, SCIA11 has been approved by Cabinet which reduced the annual transfer to the Property Reserve for void periods by £10,000 therefore increasing the Property Investment Strategy net income assumption by £10,000.
- 45 **Pay costs** (£16.9m) - Agreement has not been reached between the National Employers for Local Government Services and the unions regarding the national pay award for 2021/22. The latest offer was 1.75%.
- 46 Discussions on the 2022/23 pay award have not yet commenced.
- 47 The assumption in the attached 10-year budget is a 2% increase in all years.
- 48 The Government has announced a new Health and Social Care Levy. The Levy will be obtained by a 1.25% increase to both employee and employer National Insurance Contributions. This is expected to cost the Council £140,000 in 2022/23. This additional cost will be covered by the Services

Grant which was announced in the Provisional Local Government Finance Settlement.

- 49 It is uncertain whether any funding will be provided to fund this extra cost in later years and is therefore a new risk to the budget process.
- 50 The Council's latest Council Plan was launched in 2018. In order to ensure the effective delivery of the Council Plan, some services are being redesigned so that they are better aligned to customer needs and with a much stronger emphasis on wrapping services around the customer.
- 51 In order to achieve this, the Customer Solutions Centre is in operation. The Customer Solutions Centre is resourced with a wider skill set in order to deal with more interactions at first point of contact and in parallel more effective processing is being investigated. It is anticipated that the cost of these changes will continue to be met within approved budgets and therefore a SCIA has not been proposed.
- 52 **Superannuation fund** - the last pension fund triennial valuation, which was the fourth by the actuaries Barnett Waddingham, took place in November 2019.
- 53 The funding level 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 up to 2022/23 and includes an additional £100,000 from 2023/24 when the next triennial valuation will come into effect.
- 54 **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 5.4% (CPI) and 7.5% RPI (as at December 2021).
- 55 **Annual Savings** - an annual Net Savings/Additional Income assumption of £100,000 is included for all years in the 10-year budget.

White Oak Leisure Centre

- 56 On 21 April 2020 Council granted approval for the construction of a new leisure centre and demolition of the existing White Oak Leisure Centre.
- 57 The funding method agreed, included the net payment from the operator over the 20-year contract period being used to repay the £8m loan from the Public Works Loan Board (PWLB).
- 58 A 'White Oak Leisure Centre: New Build and Operator Procurement - Progress Report' is being presented at this meeting. The financial impacts of that report are included in the budget being proposed in this report but can be reversed if not approved. This includes an additional loan of £1.9m.

- 59 The revenue impacts of both loans, payments to and from the operator and other changes mentioned in the 'Progress Report' are included in the attached 10-year budget (Appendix C (i)). Due to the operator contract consisting of payments to the contractor in the first year then increasing payments from the contractor from year 2 onwards, there is an increase to the Net Service Expenditure of £235,000 in 2022/23 and contributions from reserves increasing by the same amount. However, over the period of the loans there is no overall impact on the revenue budget position.

Collection Fund - Council Tax Surplus/Deficit Calculation

- 60 Rules governing the operation of the collection fund require the Council to make an estimate on 15 January (or the next working day) each year of the fund's likely surplus or deficit at the end of the current financial year, in respect of council tax transactions. The amount so estimated is to be shared between the District Council, County Council, Fire and Police in proportion to their precepts on the collection fund. Each authority's share is to be taken into account by the authority in calculating its council tax for the year following the year in which the surplus or deficit has been estimated.
- 61 The estimated surplus at 15 January 2021 was £540,104, whilst the actual deficit balance at 31 March 2021 was £142,861. The change from an estimated surplus to an actual deficit was due to a review of the provision for likely bad debts resulting from the Covid-19 pandemic. The balance is relatively small in the context of the gross council tax collectible during 2020/21 of approximately £99.5m.
- 62 The purpose of the calculation at 17 January 2022 is to estimate the likely surplus or deficit balance on the collection fund at 31 March 2022. This is based on the tax bills issued for the year, current collection performance and the level of bad debt provision held.
- 63 As a result of the Covid-19 pandemic, the rules were changed regarding recovery of an estimated deficit on the collection fund in relation to council tax transactions for the year 2020/21 (the overall surplus or deficit on the collection fund covers all financial years). In simple terms, rather than the full amount of an estimated deficit for the year 2020/21 being taken into account by the billing and precepting authorities in the year ending 2021/22, it had to be spread equally over 2021/22 and the following two financial years. This was designed to reduce the effect on an authority's General Fund in 2021/22. The rules do not apply to an estimated surplus, the full amount of which will be taken into account by the billing and precepting authorities in the year in question.
- 64 This Council's share of the estimated surplus as at 31 March 2022 is £30,656 and our one-third share of the estimated deficit for 2020/21 is £4,146 resulting in a net surplus of £26,510 to be taken into account in the year ending 31 March 2023. A similar apportionment has been carried out for the

County Council, Fire and Police, based on the relative level of their precepts.

Consultation

- 65 A resident survey was completed between 6 to 26 September 2021. It was a telephone survey contacted by an independent market research company. The survey consisted of 300 responses and was a representative sample of the District population.
- 66 The responses to the budget related questions were as follows:
- The Council should continue to generate income to help pay for services - 87% strongly agree / agree.
 - Continue to change and improve the way the Council provides services to make them more efficient - 96% strongly agree / agree.
 - Look to make savings from the back office and bureaucracy so the Council can continue to invest in services - 93% strongly agree / agree.
 - Sevenoaks District Council provides value for money - 63% (Note the LGA National Benchmark figure for Council value for money is 49%).
 - Satisfaction with the way in which Sevenoaks District Council runs things - 81% (Note the LGA National Benchmark figure for Council value for money is 68%).

Current Budget Position

- 67 The 10-year budget (**Appendix Ci**) shows a fully funded 10-year position. By continuing to use the 10-year budget strategy, this council remains in a strong position going forward.
- 68 **Appendix E (i)** shows the changes in the 10-year Budget since it was last approved by Council in February 2021.
- 69 ***Progress on the savings plan*** - 2022/23 is the twelfth year of using the 10-year budget. Prior to the current budget setting process, 189 savings items have been identified totalling £8.3m. The majority of these savings have already been achieved and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.
- 70 ***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 (23%) in real terms.

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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

2022/23 Budget and Council Tax

- 71 After allowing for the growth and savings agreed and the key changes made during this budget process, the resulting net expenditure for 2022/23 is £17.297m. As shown in **Appendix F** this results in Council Tax income of £11.841m, meaning that the District element of the Band D charge will be £229.86.
- 72 When the other preceptors announce their increases, details will be included in **Appendix N**.
- 73 Further details of the budget can be found in the following appendices:
- 10-year budget - Revenue (**Appendix C(i)**)
 - 10-year budget - Balance Sheet (**Appendix C(ii)**)
 - Summary of Council Expenditure and Council Tax (**Appendix F**)
 - Summary of 2022/23 service analysis in Budget Book format (**Appendix G**)
 - Analysis of 2022/23 pay costs (**Appendix H**)

Capital Programme

- 74 A report setting out the proposed 2022/25 Capital Programme, with supporting documentation in a standard format for individual scheme bids was presented to the Finance and Investment Advisory Committee on 11 January 2022.
- 75 Scheme bid documents were received for all new schemes which included the proposed funding methods.

- 76 Unspent budgets in the current year's programme (2021/22) can be carried forward to 2022/23, subject to Cabinet approval, when the outturn is known.
- 77 **Appendix J(i)** summarises the position if all schemes are approved and indicates the funding method proposed. **Appendix J(ii)** contains the bids for each capital scheme.
- 78 The Capital Strategy 2022/23 was also presented to FIAC and is included at **Appendix J(iii)**.
- 79 Council will be informed at the meeting of any changes recommended by Cabinet. Council are requested to approve the 2022/25 Capital Programme and the Capital Strategy 2022/23.

Integration with other budget reports on the Cabinet Agenda

- 80 Separate reports on the Treasury Management Strategy and Property Investment Strategy are being presented to Cabinet and Council.
- 81 The attached revenue budgets take into account the recommendations and revenue implications set out in the Capital Programme.

Opinion under Section 25 of the Local Government Act 2003 (LGA 2003)

- 82 Under the LGA 2003 the Statutory Finance Officer (Deputy Chief Executive and Chief Officer - Finance and Trading) is required to give Members an opinion on the robustness of the budget estimates and the adequacy of reserves.
- 83 In terms of the robustness of the budget, the following sources of assurance were taken into account:
- The Strategic Business and Financial Planning process used for the 2022/23 budget.
 - The Financial Strategy, including a 10-year Budget, clear financial objectives and sensitivity analysis.
 - Growth and savings suggestions proposed.
 - The strong financial control structure and effective performance management within the Council, confirmed by feedback from external auditors.
 - Clear budget responsibilities at individual officer level.
 - Effective monitoring regime giving early notification of potential financial issues through the use of the Finance and Investment Advisory Committee.

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- Effective Internal/External audit system, with risk-based audits, reporting through the Audit Committee.
- Set aside of earmarked funds for potential liabilities in the medium term.
- Effective strategic and operational risk management.

84 The budget complies with the principles and standards within the CIPFA (Chartered Institute of Public Finance and Accountancy) Financial Management Code.

85 As is the case every year, inevitably there are a number of risk factors within the 2022/23 budget proposals; these are set out in some detail in **Appendix L**. This Appendix was also considered by the Finance and Investment Advisory Committee on 11 January 2022. Some of the more significant items are set out below.

a) Pay costs

Pay costs are budgeted on 100% basis, with a 2% inflationary pay award assumption in 2022/23 included and with a separate vacancy saving target. With controls over the appointment of any staff and monitoring of staff numbers as well as costs, pay costs are subject to a high level of control. However, the national pay award for 2021/22 has not yet been agreed.

b) Income

In-depth monitoring of income budgets will continue throughout the year and will be given regular consideration by the Finance and Investment Advisory Committee. This includes considering the current and potential impact of the COVID-19 pandemic on certain income streams.

c) Pensions funding

The next actuarial valuation will take effect from 2023/24 and an increased assumption has been included in the 10-year budget from then.

d) Retained Business Rates

The Government intends to review how business rates income is distributed but the timeline keeps being put back therefore it remains uncertain what the impact on this Council will be.

e) COVID-19

There remains uncertainty around the ongoing impacts of COVID-19 on the Council, but the proposed budget takes into account the information currently available.

f) Investments

The Treasury Management Strategy will be kept under review and brought back to Members for consideration as necessary during the year. The proposed Strategy for 2022/23 will be reported separately.

g) Changes in service demand

The 10-year budget has no allowance for growth until 2027/28 as it is anticipated that where possible this will be met through additional savings or the Budget Stabilisation Reserve.

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

Adequacy of Reserves

- 87 Ensuring the adequacy and sustainability of the Council's reserves continues to be a key part of the budget process. Individual balances have been reviewed as part of writing this report and the detailed work is set out in **Appendix K**. This review should ensure that all provisions and earmarked reserves are adequate for their purposes.
- 88 It is recommended that the Council hold a minimum General Fund reserve balance of 10% of its net Revenue Budget, for emergencies.
- 89 The strong formal advice of the Deputy Chief Executive and Chief Officer - Finance and Trading to the Council is that every effort must be made to achieve the agreed savings in order to ensure financial sustainability and preserve the level of reserves for future commitments. The Council should avoid the General Fund Reserve balance reducing below 10% of its Net Service Expenditure (for 2022/23 this equates to £1.7m).
- 90 The Deputy Chief Executive and Chief Officer - Finance and Trading (Section 151 officer) is satisfied with the robustness of the estimates and adequacy of reserves.

Referendums relating to council tax increases

- 91 Section 72 of the Localism Act 2011 inserted Section 52ZB into the Local Government Finance Act 1992. This sets out the duty on local authorities, fire authorities and Police and Crime Commissioners (PCCs) to each determine whether the amount of council tax they plan to raise for a

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financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum apply.

- 92 The Secretary of State has published draft thresholds in relation to 2022/23 council tax levels. District councils will be allowed a Band D council tax increase of the higher of 2% or £5 (for a Band D property). This council is therefore able to increase Band D council tax by up to 2.2% (£5 for a Band D property) without requiring a referendum. As in previous years, no equivalent principles are being proposed for Town and Parish Councils although the Government has said that they will keep this under review and take action if necessary.

Local Council Tax Reduction Scheme 2022/23

- 93 The Council Tax Reduction scheme replaced Council Tax Benefit with effect from 1 April 2013.
- 94 Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.
- 95 Schedule 1A (5) of the Local Government Finance Act 1992 as amended requires local authorities to consider the following:
- For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.
 - The authority must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 96 The 2021/22 Local Council Tax Reduction Scheme was approved by Council on 23 February 2021.
- 97 Further details can be found in **Appendix M** and a copy of the full scheme is available upon request.
- 98 It is recommended that the Local Council Tax Reduction Scheme 2021/22, be rolled forward to 2022/23, with effect from 1 April 2022.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement

There are no legal implications.

For the effective management of our resources and in order to achieve a sustainable budget it is essential that all service cost changes and risks are identified and considered. The budget risk analysis is included as **Appendix L**.

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

An effective integrated policy and priority driven long-term financial and business 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.

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

Equality Assessment

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

Individual equalities 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.

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

Community Impact and Outcomes

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

Conclusions

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

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

If the council tax resolution attached in **Appendix Q** is approved, the Sevenoaks District Council element of the band D council tax will be £229.86.

Appendices

Appendix A - Budget timetable

Appendix B - Financial Strategy

Appendix C (i) - 10-year budget - Revenue

Appendix C (ii) - 10-year budget - Balance Sheet

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

Appendix E (i) - Summary of changes to the 10-year Budget

Appendix E (ii) - Service Change Impact Assessment forms (SCIAs) for the new savings/additional income proposals in Appendix D (i) (only in Cabinet report)

Appendix F - Summary of Council Expenditure and Council Tax

Appendix G - Summary of service analysis in budget book format

Appendix H - Analysis of pay costs

Appendix J (i) - Capital Programme 2022-25 (also considered by Finance and Investment Advisory Committee on 11 January 2022)

Appendix J (ii) - Capital Programme bids (also considered by Finance and Investment Advisory Committee on 11 January 2022)

Appendix J (iii) - Capital Strategy 2022/23 (also considered by Finance and Investment Advisory Committee on 11 January 2022)

Appendix K - Reserves

Appendix L - Risk analysis (also considered by Finance and Investment Advisory Committee on 11 January 2022)

Appendix M - Local Council Tax Reduction Scheme 2022/23

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

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

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

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

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Background Papers

Report to Cabinet 13 January 2022 - Budget Update 2022/23

Report to Cabinet 9 December 2021 - Budget Update 2022/23

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

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 and Council Tax Setting Meeting (Recommendations to Council)

10 February - Cabinet

Stage 7: Budget and Council Tax 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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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.

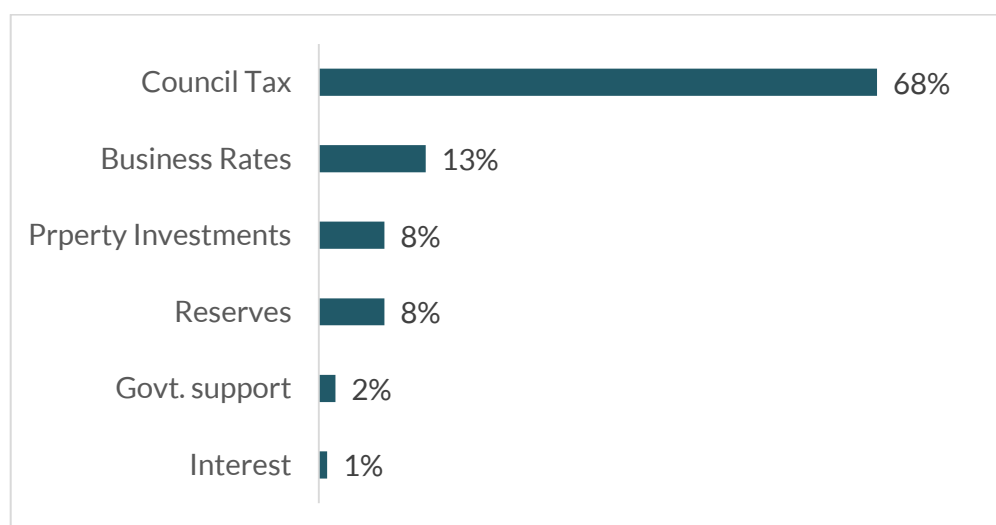
What's important to us:

- 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

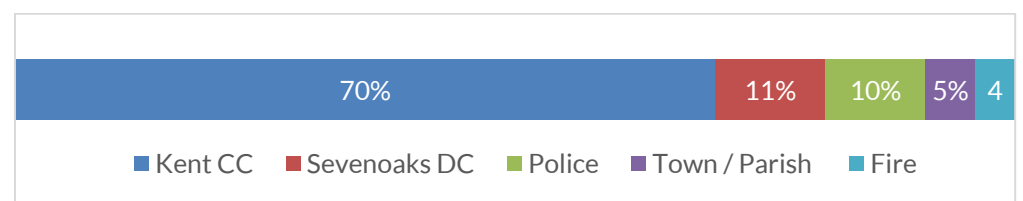
WHERE OUR MONEY COMES FROM



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

Ten Year Budget - Revenue

Appendix C (i)

	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	16,783	17,297	17,565	17,304	17,477	17,680	18,270	18,823	19,368	19,997
Inflation	616	510	518	524	513	519	527	537	545	554	564
Superannuation Fund deficit	0	0	100	0	0	50	0	0	0	0	0
White Oak Leisure Centre	0	235	(19)	(205)	(34)	(57)	62	16	1	76	(111)
Net growth/(savings) (approved in previous yrs)	586	(481)	(169)	(206)	(206)	(209)	1	0	(1)	(1)	0
New growth	0	496	(156)	(300)	0	0	100	100	100	100	100
New savings/Income	0	(246)	(6)	(75)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	16,783	17,297	17,565	17,304	17,477	17,680	18,270	18,823	19,368	19,997	20,450
Financing Sources											
Govt Support: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
: Lower Tier Services Grant	(98)	(103)	0	0	0	0	0	0	0	0	0
: Services Grant	0	(159)	0	0	0	0	0	0	0	0	0
: Local Council Tax Support (LCTS)	(245)	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(11,443)	(11,841)	(12,309)	(12,729)	(13,161)	(13,604)	(14,023)	(14,453)	(14,894)	(15,347)	(15,799)
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	(27)	4	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	(1,372)	(1,518)	(1,568)	(1,568)	(1,568)	(1,665)	(1,665)	(1,665)	(1,706)	(1,706)	(1,706)
Contributions to/(from) Reserves	(337)	(189)	(170)	(607)	176	176	176	176	176	176	176
Total Financing	(15,848)	(16,251)	(16,502)	(17,408)	(17,103)	(17,690)	(18,157)	(18,636)	(19,168)	(19,672)	(20,176)
Budget Gap (surplus)/deficit	935	1,046	1,063	(104)	374	(10)	113	187	200	325	274
Contribution to/(from) Stabilisation Reserve	(935)	(1,046)	(1,063)	104	(374)	10	(113)	(187)	(200)	(325)	(274)
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:	2.2% in 22/23, 2% in later years
Council Tax Base:	Increase of 730 Band D equivalent properties p.a. from 22/23, 580 p.a. from 27/28, 530 p.a. from 31/32
Interest Receipts:	£188,000 in all years
Property Investment Strategy:	£1.518m in 22/23, £1.568m from 23/24, £1.665m from 26/27, £1.706m 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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Ten Year Budget - Balance Sheet

Balance Sheet		31/3/21	31/3/22	31/3/23	31/3/24	31/3/25	31/3/26
		Plan	Plan	Plan	Plan	Plan	Plan
	Note	£000	£000	£000	£000	£000	£000
Long Term Assets							
Property, Plant and Equipment	1	38,863	52,298	59,514	60,228	60,334	60,090
Investment Property		32,708	32,708	32,708	32,708	32,708	32,708
Long Term Investments		4,012	4,012	4,012	4,012	4,012	4,012
Long Term Debtors		6,756	6,670	7,716	7,712	7,708	7,704
		<u>82,340</u>	<u>95,688</u>	<u>103,951</u>	<u>104,661</u>	<u>104,763</u>	<u>104,515</u>
Current Assets							
Short-term Investments		4,014	2,011	(170)	(1,234)	(2,130)	(2,528)
Cash and Cash Equivalents		6,516	6,516	6,516	6,516	6,516	6,516
Inventories		3,311	3,311	3,311	3,311	3,311	3,311
Short Term Debtors		13,651	13,651	13,651	13,651	13,651	13,651
Assets held for Sale		266	266	266	266	266	266
Payments in Advance		0	0	0	0	0	0
		<u>27,756</u>	<u>25,754</u>	<u>23,572</u>	<u>22,509</u>	<u>21,612</u>	<u>21,214</u>
Current Liabilities							
Receipts in Advance		(13,075)	(13,075)	(13,075)	(13,075)	(13,075)	(13,075)
Short Term PWLB Loan		126	129	133	136	140	144
Short Term Creditors		(15,454)	(15,454)	(15,454)	(15,454)	(15,456)	(15,456)
Short Term Provisions		(3,597)	(3,597)	(3,597)	(3,597)	(3,597)	(3,597)
		<u>(32,000)</u>	<u>(31,997)</u>	<u>(31,993)</u>	<u>(31,990)</u>	<u>(31,988)</u>	<u>(31,984)</u>
NET CURRENT ASSETS		(4,243)	(6,243)	(8,421)	(9,481)	(10,375)	(10,770)
Long Term Liabilities							
Long Term Creditors		(345)	(344)	(343)	(342)	(341)	(340)
Long Term PWLB Loan		(4,766)	(12,592)	(13,129)	(11,560)	(11,036)	(10,505)
Long Term Provisions		(256)	(256)	(256)	(256)	(256)	(256)
Net Pensions Liability	2,3	(76,745)	(75,255)	(73,765)	(72,275)	(70,785)	(69,295)
Capital Grants Receipts in Advance		(1,798)	(1,798)	(1,798)	(1,798)	(1,798)	(1,798)
		<u>(83,911)</u>	<u>(90,246)</u>	<u>(89,292)</u>	<u>(86,232)</u>	<u>(84,217)</u>	<u>(82,195)</u>
TOTAL NET ASSETS		(5,814)	(800)	6,238	8,948	10,171	11,550
USABLE RESERVES							
Usable Capital Receipts Reserve		(4,317)	(4,317)	(4,317)	(5,317)	(5,263)	(5,263)
Earmarked Reserves		(28,388)	(26,405)	(25,444)	(24,550)	(23,824)	(23,596)
General Fund		(1,700)	(1,700)	(1,700)	(1,700)	(1,700)	(1,700)
		<u>(34,406)</u>	<u>(32,423)</u>	<u>(31,462)</u>	<u>(31,568)</u>	<u>(30,788)</u>	<u>(30,559)</u>
UNUSABLE RESERVES							
Capital Adjustment Account		(22,147)	(27,658)	(34,171)	(35,289)	(35,805)	(35,927)
Revaluation Reserve		(21,719)	(21,719)	(21,719)	(21,719)	(21,719)	(21,719)
Accumulated Absences Account		327	327	327	327	327	327
Pensions Reserve	2,3	76,745	75,255	73,765	72,275	70,785	69,295
Collection Fund Adj Account		21	21	21	21	21	21
NNDR Collection Fund Revenue Account		7,130	7,130	7,130	7,130	7,130	7,130
Deferred Capital receipts		(138)	(134)	(130)	(126)	(122)	(118)
		<u>40,220</u>	<u>33,223</u>	<u>25,224</u>	<u>22,620</u>	<u>20,617</u>	<u>19,009</u>
TOTAL RESERVES		5,814	800	(6,238)	(8,948)	(10,171)	(11,550)

Notes to Balance Sheet

- 1 Property will depreciate and will not be replaced, vehicles will depreciate and be
- 2 Pensions figures are based on the actual FRS17 figures required to be included in the statutory accounts. An actuarial revaluation is completed every three years which is used to calculate the true position of the pension
- 3 Pensions liability decrease due to payments being made to reduce the deficit.

Ten Year Budget - Balance Sheet

Balance Sheet continued		31/3/27	31/3/28	31/3/29	31/3/30	31/3/31	31/3/32
	Note	Plan £000	Plan £000	Plan £000	Plan £000	Plan £000	Plan £000
Long Term Assets							
Property, Plant and Equipment	1	59,847	59,603	59,359	59,115	58,872	58,628
Investment Property		32,708	32,708	32,708	32,708	32,708	32,708
Long Term Investments		4,012	4,012	4,012	4,012	4,012	4,012
Long Term Debtors		7,700	7,696	7,692	7,688	7,684	7,680
		<u>104,267</u>	<u>104,020</u>	<u>103,772</u>	<u>103,524</u>	<u>103,276</u>	<u>103,029</u>
Current Assets							
Short-term Investments		(2,899)	(2,971)	(3,195)	(3,559)	(3,896)	(4,478)
Cash and Cash Equivalents		6,516	6,516	6,516	6,516	6,516	6,516
Inventories		3,311	3,311	3,311	3,311	3,311	3,311
Short Term Debtors		13,651	13,651	13,651	13,651	13,651	13,651
Assets held for Sale		266	266	266	266	266	266
Payments in Advance		0	0	0	0	0	0
		<u>20,844</u>	<u>20,772</u>	<u>20,548</u>	<u>20,183</u>	<u>19,846</u>	<u>19,265</u>
Current Liabilities							
Receipts in Advance		(13,075)	(13,075)	(13,075)	(13,075)	(13,075)	(13,075)
Short Term PWLB Loan		147	151	155	160	164	168
Short Term Creditors		(15,457)	(15,458)	(15,459)	(15,460)	(15,461)	(15,462)
Short Term Provisions		(3,597)	(3,597)	(3,597)	(3,597)	(3,597)	(3,597)
		<u>(31,981)</u>	<u>(31,978)</u>	<u>(31,975)</u>	<u>(31,972)</u>	<u>(31,969)</u>	<u>(31,965)</u>
NET CURRENT ASSETS		(11,138)	(11,206)	(11,428)	(11,789)	(12,123)	(12,701)
Long Term Liabilities							
Long Term Creditors		(339)	(338)	(337)	(336)	(335)	(334)
Long Term PWLB Loan		(9,968)	(9,425)	(8,876)	(8,321)	(7,759)	(7,190)
Long Term Provisions		(256)	(256)	(256)	(256)	(256)	(256)
Net Pensions Liability	2,3	(67,805)	(66,315)	(64,825)	(63,335)	(61,845)	(60,355)
Capital Grants Receipts in Advance		(1,798)	(1,798)	(1,798)	(1,798)	(1,798)	(1,798)
		<u>(80,167)</u>	<u>(78,133)</u>	<u>(76,093)</u>	<u>(74,047)</u>	<u>(71,994)</u>	<u>(69,934)</u>
TOTAL NET ASSETS		12,963	14,681	16,252	17,689	19,160	20,394
USABLE RESERVES							
Usable Capital Receipts Reserve		(5,263)	(5,263)	(5,263)	(5,263)	(5,263)	(5,263)
Earmarked Reserves		(23,396)	(23,494)	(21,877)	(21,683)	(21,516)	(21,104)
General Fund		(1,700)	(1,700)	(1,700)	(1,700)	(1,700)	(1,700)
		<u>(30,359)</u>	<u>(30,457)</u>	<u>(28,841)</u>	<u>(28,646)</u>	<u>(28,479)</u>	<u>(28,068)</u>
UNUSABLE RESERVES							
Capital Adjustment Account		(36,055)	(36,188)	(37,889)	(38,034)	(38,188)	(38,347)
Revaluation Reserve		(21,719)	(21,719)	(21,719)	(21,719)	(21,719)	(21,719)
Accumulated Absences Account		327	327	327	327	327	327
Pensions Reserve	2,3	67,805	66,315	64,825	63,335	61,845	60,355
Collection Fund Adj Account		21	21	21	21	21	21
NNDR Collection Fund Revenue Account		7,130	7,130	7,130	7,130	7,130	7,130
Deferred Capital receipts		(114)	(110)	(106)	(102)	(98)	(94)
		<u>17,396</u>	<u>15,777</u>	<u>12,589</u>	<u>10,958</u>	<u>9,319</u>	<u>7,674</u>
TOTAL RESERVES		(12,963)	(14,681)	(16,252)	(17,689)	(19,160)	(20,394)

Year	SCIA 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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Changes to the 10-year Budget

SCIA	Description	2022/23 £000	10-year Budget £000	
	Net savings assumption	100	1,000	
	Position after Cabinet on 16/09/21: Budget gap/(surplus)		1,000	i.e. £100,000 per annum gap
	SCIAs: Savings/additional income			
2	Housing: Temporary accommodation placement charge	(36)	(360)	
3	Housing: Rent income	(7)	(70)	
4	Housing: Site licence monitoring income	(2)	(20)	
	SCIAs: Growth			
1	Housing: Homelessness	300	600	
5	Finance: increase in IT system licence costs and need for maintenance and development	20	200	
6	Direct Services: Enforcement Investigation Software	20	200	
7	Internal Audit: Audit software upgrade	16	16	
	Position after Cabinet on 09/12/21: Budget gap/(surplus)		1,566	i.e. £157,000 per annum gap
	Additional SCIAs: Savings/additional income			
8	Car Parking: Business Rates below budget	(12)	(120)	
9	Planning - Dev Mgt: Possible surplus of additional application fee income after more capacity has been secured (assumed 2 yrs only)	(25)	(50)	
10	IT: Reduced use of printers	(9)	(90)	
11	Property: Reduced voids budget	(10)	(100)	
	Govt: Lower Tier Services Grant	(103)	(103)	
	Govt: Services Grant	(159)	(159)	
	Council Tax: Collection rate increased from 98.4% to 98.9% in 2022/23 only	(60)	(60)	
	Council Tax: 2022/23 tax base increase less than assumption	81	897	
	Council Tax: tax base increased in later years	0	(888)	
	Council Tax: Collection fund surplus (estimate)	(36)	(49)	
	Staff pay: Health and Social Care Levy (additional 1.25% national insurance charge)	140	140	
	Position in Cabinet report 13/01/22: Budget gap/(surplus)		984	i.e. £98,000 per annum gap
	Additional SCIAs: Savings/additional income			
12	Building Control: reduction in staffing costs	(26)	(260)	
13	Corporate Management: adjustments to reflect accurate salaries budget and required funding to respond to changes in legislation	(35)	(350)	
14	Swanley Sunday market: 6-month pilot	(94)	(94)	
	White Oak Leisure Centre	235	468	
	Pension Fund inflation assumption from 24/25 onwards reduced from £69,000 to £50,000	0	(468)	
	Council Tax: Collection fund surplus (final)	(8)	(8)	
	Council Tax increase 2022/23 changed from 2% to 2.2%	(23)	(276)	
	Current position (if SCIAs are supported by Cabinet): Budget gap/(surplus)		(4)	i.e. no budget gap

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SERVICE CHANGE IMPACT ASSESSMENT

SCIA 12 (22/23)

Chief Officer: Richard Morris
Service: Building Control
Activity: Staffing costs reduction
No. of Staff: 7 FTE

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in staff costs following de-coupling of partnership	(26)	Ongoing

A. Reasons for and explanation of proposed change in service

Following de-coupling of the partnership with Tonbridge and Malling BC, the excess salary budget can now be reduced.

B. Key Stakeholders Affected:

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

No changes are expected to the level of service given

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

E. 2021/22 Budget (£'000)

Operational Cost 373
Income (503)
Net Cost (130)

F. 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.

G. Net Zero Implications

The decision recommended through this SCIA have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no

SERVICE CHANGE IMPACT ASSESSMENT

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 13 (22/23)

Chief Officer: Pav Ramewal
Service: Assistant Chief Executives
Activity: Corporate Management
No. of Staff: 6.8 FTE

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Corporate Management - adjustments to reflect accurate salaries budget and required funding to respond to changes in legislation	(35)	Ongoing

A. Reasons for and explanation of proposed change in service

A thorough review of the salaries budget for corporate management enables an ongoing reduction and saving to be applied without affecting post holders. Previously unspent budget for responding to new or changing legislation is proposed to be deleted as this potential cost can be met within existing service budgets.

B. Key Stakeholders Affected:

None. Sufficient budget is retained to meet the costs in the areas affected.

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

There is no anticipated change or reduction in service arising from this proposal. Sufficient budget is retained to meet salary costs and within service budgets.

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

Low

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

Operational Cost	731
Income	-
Net Cost	731

F. Performance Indicators

There are no applicable performance indicators for this proposal.

G. Equality Impacts

The decisions recommended through this proposal 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 14 (22/23)

Chief Officer: Adrian Rowbotham
Service: Markets
Activity: Swanley Sunday Market
No. of Staff: N/A

Activity Budget Change	2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Swanley Sunday Market 6-month pilot	(94)	One-off

A. Reasons for and explanation of proposed change in service

See Swanley Sunday Market Proposal report to Cleaner and Greener Advisory Committee (05/01/22) and Cabinet (13/01/22).

The Council's current contractor, Bray Associates has approached the Council with a proposal for consideration to offer an additional Sunday street market at the same location as the existing Swanley market. This could initially be trialled as a 6-month pilot.

B. Key Stakeholders Affected: The Swanley community and market users

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

Any issues identified during the 6-month pilot will be closely monitored and engagement with interested parties will be undertaken.

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

E. 2021/22 Budget (£'000)

Operational Cost 111
Income (328)
Net Cost (217)

F. Performance Indicators

None

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

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030. The decision recommended in this SCIA directly impact on this ambition. The impact has been reviewed and there will be a slight increase on carbon emissions produced in the district as a result of this decision.

An additional Sunday market in Swanley would see a potential increase to local traffic in the area, which could slightly increase carbon emissions. Additional waste would be produced, which would need to be removed and disposed of correctly.

Appendix F

<u>Summary of Council Expenditure & Council Tax</u>	2021/22 Budget Net Expenditure £000	2022/23 Budget Net Expenditure £000		
Service expenditure before Support Services and Capital Charges including trading accounts (see Appendix E)	17,015	17,529		
Capital Charges and Support Services charged outside the General Fund	(232)	(232)		
Sub Total	<u>16,783</u>	<u>17,297</u>		
Non allocated expenditure:				
Collection Fund adjustment	<u>0</u>	<u>0</u>		
Net Service Expenditure excluding capital charges	16,783	17,297		
Govt Support: Revenue Support Grant	0	0		
Govt Support: Lower Tier Services Grant	(98)	(103)		
Govt Support: Services Grant	0	(159)		
Govt Support: Local Council Tax Support (LCTS)	(245)	0		
New Homes Bonus	0	0		
Council Tax Requirement - Sevenoaks DC	(11,443)	(11,841)		
Business Rates Retention	(2,182)	(2,226)		
Collection Fund Deficit / (Surplus)	17	(27)		
Grant & Council Tax income	<u>(13,951)</u>	<u>(14,356)</u>		
Net Expenditure after Grant & Council Tax, before interest	2,832	2,941		
Less: Interest and Investment income	(188)	(188)		
Less: Property Investment Strategy Income	(1,372)	(1,518)		
Amount to be met from Reserves	<u>1,272</u>	<u>1,235</u>		
Contributions (to) / from reserves:				
Earmarked Reserves				
Capital	(148)	(148)		
Budget Stabilisation	935	1,046		
Pension fund valuation	46	10		
Financial Plan	501	327		
Net Zero Transition	(62)	0		
Planned contribution from General Fund Reserve	<u>0</u>	<u>0</u>		
	<u>1,272</u>	<u>1,235</u>		
	2021/22	2022/23		
Taxbase	50,877	51,514		
	£	£		
Council Tax @ Band D	224.91	229.86		
Council Tax Summary (Band D Charge)			% Change	% Share
Kent County				
Kent Fire				
Kent Police				
	<u>0.00</u>	<u>0.00</u>		
Sevenoaks District				
Average Town/Parish	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0</u>

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Net Service Expenditure analysed by Service

	Actuals 20/21	Budget 21/22	Budget 22/23
Summary	£'000	£'000	£'000
Assistant Chief Executive	1,656	1,834	1,803
Customer & Resources	4,054	3,944	3,960
Finance & Trading	7,234	6,526	6,318
People & Places	1,805	1,548	2,061
Planning & Regulatory Services	1,769	1,626	1,801
Strategic Head Commercial and Property	1,673	1,536	1,586
	<u>18,191</u>	<u>17,015</u>	<u>17,529</u>
Items outside General Fund		(232)	(232)
		<u>16,783</u>	<u>17,297</u>

	Actuals 20/21	Budget 21/22	Budget 22/23
Summary	£'000	£'000	£'000
Pay Costs	17,042	17,374	18,113
IAS19	0	0	0
Premises and Grounds	2,280	2,260	2,298
Transport	3,167	3,448	3,504
Supplies & Services	2,593	2,618	2,667
Supplies & Services IT	992	1,000	1,079
Agency & Contracted	7,928	3,882	3,546
Agency & Contracted - Partnerships	2,567	1,764	1,717
Agency & Contracted - Direct Services	4,300	4,484	4,620
Transfer Payments - Benefits	21,391	22,138	22,138
Transfer Payments - Other	1,245	329	539
Support Services	274	326	326
Funds drawn to/from Reserves	414	51	121
Capital Charges	317	445	646
Income - Other	(5,719)	(2,503)	(2,353)
Income - Gov Gnts	(24,329)	(22,519)	(22,552)
Income - Fees and Charges	(7,443)	(8,586)	(9,241)
Recharges	(6,506)	(6,968)	(7,121)
Recharges - Partnerships and Capital charges	(2,323)	(2,527)	(2,516)
	<u>18,191</u>	<u>17,015</u>	<u>17,529</u>
Items outside General Fund		(232)	(232)
		<u>16,783</u>	<u>17,297</u>

Analysis of budget changes between 21/22 and 22/23

Base Budget 2021/22	16,783
Inflation and other adjustments	510
Net Savings agreed previous years	(481)
New Growth	496
White Oak Leisure Centre	235
New savings/income	(246)
Proposed Budget 2022/23	<u>17,297</u>

Net Service Expenditure analysed by Service	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
Assistant Chief Executive			
Action and Development	1	8	8
Consultation and Surveys	0	4	4
Corporate Management	1,008	1,146	1,287
Corporate - Other	30	169	(27)
Elections	135	125	127
External Communications	192	222	227
Performance Improvement	0	(0)	(0)
Register of Electors	237	204	211
Administrative Expenses - Legal and Democratic	0	0	0
Administrative Expenses - Transformation and Strategy	4	5	6
Support - General Admin (Print Shop)	50	(49)	(41)
Total Service Expenditure	1,656	1,834	1,803

Net Service Expenditure analysed by Service

Net Service Expenditure analysed by Service	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
Assistant Chief Executive			
Pay Costs	1,310	1,359	1,516
Premises and Grounds	0	0	0
Transport	0	0	0
Supplies & Services	380	259	265
Supplies & Services IT	83	65	66
Agency & Contracted	95	379	188
Agency & Contracted - Direct Services	0	0	0
Funds drawn to/from Reserves	93	42	42
Income - Other	(42)	0	0
Income - Gov Gnts	(65)	(7)	(7)
Income - Fees and Charges	(177)	(237)	(243)
Recharges	(22)	(25)	(25)
Total Service Expenditure	1,656	1,834	1,803

Analysis of budget changes between 21/22 and 22/23

Base Budget 2021/22	1,834
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	26
Planned Savings agreed previous years	0
<u>SCIAs 2022/23</u>	
22/23 SCIA13 Corp Mgt:	(35)
22/23 NI Levy per Fin Plan	140
Other Adjustments	(162)
Proposed Budget 2022/23	<u><u>1,803</u></u>

Net Service Expenditure analysed by Service

	Actuals 20/21 £'000	Budget 21/22 £'000	Budget 22/23 £'000
Customer & Resources			
Asset Maintenance IT	289	296	302
Benefits Admin	(45)	148	48
Benefits Grants	(36)	(25)	(25)
Civic Expenses	16	17	18
Corporate Projects	109	71	39
Democratic Services	162	168	172
Dartford Rev&Ben Partnership Hub (SDC costs)	0	0	0
Land Charges	(55)	(118)	(115)
Local Tax	359	(85)	(78)
Administrative Expenses - Corporate Services	6	23	24
Administrative Expenses - Legal and Democratic	58	72	72
Administrative Expenses - Human Resources	10	9	9
Administrative Expenses - Property	0	0	0
Administrative Expenses - Revenues and Benefits	0	0	0
Street Naming	(2)	2	2
Support - Rev & Ben Control	215	224	232
Support - Counter Fraud	56	52	52
Support - Contact Centre	703	855	874
Support - Central Offices - Facilities	273	279	239
Support - General Admin	1	5	5
Support - General Admin (Post/Scanning)	173	219	247
Support - Health and Safety	12	8	5
Support - IT	1,114	1,071	1,149
Support - Legal Function	219	259	267
Support - Local Offices	0	0	0
Support - Nursery	1	0	0
Support - Human Resources	414	398	421
Total Service Expenditure	4,054	3,944	3,960

Net Service Expenditure analysed by Service

	Actuals 20/21 £'000	Budget 21/22 £'000	Budget 22/23 £'000
Customer & Resources			
Pay Costs	4,312	4,539	4,593
Premises and Grounds	68	68	70
Transport	6	10	10
Supplies & Services	480	639	635
Supplies & Services IT	720	916	956
Agency & Contracted	3,042	171	123
Agency & Contracted - Partnerships	1,288	1,446	1,370
Agency & Contracted - Direct Services	20	24	25
Transfer Payments - Benefits	21,391	22,138	22,138
Transfer Payments - Other	1	0	0
Support Services	0	0	0
Funds drawn to/from Reserves	435	(285)	(236)
Income - Other	(3,095)	(152)	(152)
Income - Gov Gnts	(22,382)	(22,512)	(22,512)
Income - Fees and Charges	(199)	(773)	(785)
Recharges	(199)	(202)	(209)
Recharges - Partnerships	(1,834)	(2,082)	(2,064)
Total Service Expenditure	4,054	3,944	3,960

Analysis of budget changes between 21/22 and 22/23

Base Budget 2021/22	3,944
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	110
Planned Savings agreed previous years	(100)
<u>SCIAs 2022/23</u>	
22/23 SCIA 5 Agresso Systems Support and Development	20
22/23 SCIA 10 IT Reduced Use of Printers	(9)
Other Adjustments	(5)
Proposed Budget 2022/23	<u><u>3,960</u></u>

Net Service Expenditure analysed by Service

	Actuals 20/21 £'000	Budget 21/22 £'000	Budget 22/23 £'000
Finance & Trading			
Asset Maintenance CCTV	18	19	19
Asset Maintenance Countryside	8	9	9
Asset Maintenance Direct Services	58	42	42
Asset Maintenance Playgrounds	12	16	16
Asset Maintenance Public Toilets	0	16	16
Car Parks	60	(1,198)	(1,495)
CCTV	274	262	281
Civil Protection	50	49	52
Corporate Management	0	0	0
Car Parking - On Street	179	(245)	(271)
Emergency	70	81	83
Parking Enforcement - Tandridge DC	(80)	(39)	(36)
Estates Management - Grounds	139	125	133
Housing Advances	(0)	1	1
Kent Resource Partnership	0	0	0
Markets	(111)	(217)	(343)
Members	421	473	483
Misc. Finance	276	1,580	1,640
Parks - Greensand Commons Project	4	0	0
Parks and Recreation Grounds	130	132	139
Parks - Rural	185	165	181
Public Transport Support	0	0	0
Refuse Collection	2,807	2,913	2,868
Administrative Expenses - Chief Executive	14	20	20
Administrative Expenses - Direct Services	9	0	0
Administrative Expenses - Finance	46	26	27
Administrative Expenses - Transport	5	7	7
Street Cleansing	1,489	1,539	1,564
Support - Audit Function	186	187	214
Support - Exchequer and Procurement	159	158	207
Support - Finance Function	214	256	256
Support - General Admin	171	178	182
Support - Direct Services	50	50	71
Support - Procurement	7	7	7
Direct Services Trading account	213	(253)	(217)
Public Conveniences	54	47	36
Treasury Management	120	124	126
Total Service Expenditure	7,234	6,526	6,318

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
Finance & Trading			
Pay Costs	5,474	5,804	6,069
Premises and Grounds	1,154	1,136	1,149
Transport	3,137	3,414	3,474
Supplies & Services	1,471	1,490	1,519
Supplies & Services IT	86	17	53
Agency & Contracted	3,310	2,507	2,294
Agency & Contracted - Partnerships	178	178	192
Agency & Contracted - Direct Services	4,255	4,421	4,555
Support Services	274	274	274
Funds drawn to/from Reserves	169	(63)	(37)
Capital Charges	317	445	472
Income - Other	(1,096)	(859)	(653)
Income - Gov Gnts	(1,668)	0	(33)
Income - Fees and Charges	(3,408)	(5,404)	(6,047)
Recharges	(6,255)	(6,530)	(6,666)
Recharges - Partnerships	(163)	(302)	(296)
Total Service Expenditure	7,234	6,526	6,318

Analysis of budget changes between 21/22 and 22/23

Base Budget 2021/22	6,526
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	228
Planned savings agreed previous years	(431)
<u>SCIA 2022/23</u>	
22/23 SCIA 6 Environmental Enforcement Software	20
22/23 SCIA 7 Audit Software Upgrade	16
22/23 SCIA 8 Car Parks Business Rates	(12)
22/23 SCIA14 Markets: Swanley Sunday Market 6 month trial	(94)
Other Adjustments	65
Proposed Budget 2022/23	6,318

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Appendix G

Net Service Expenditure analysed by Service

	Actuals 20/21 £'000	Budget 21/22 £'000	Budget 22/23 £'000
People & Places			
All Weather Pitch	(5)	(5)	(5)
Business Area Improvement Fund	0	0	0
Practical Support Self-Isolating COVID 19	0	0	0
Compliance & Enforcement	0	0	0
Community Safety	190	160	130
Community Development Service Provisions	(6)	(6)	(6)
Community Housing Fund	0	0	0
The Community Plan	47	21	38
Contain Outbreak Management Fund 2021/22	0	0	0
Domestic Abuse Duty	0	0	0
Dunton Green Projects - S106	0	0	0
Energy Efficiency	0	0	0
Grants to Organisations	182	185	200
Gypsy Sites	(1)	(11)	(6)
Health Improvements	42	48	34
Homeless	427	429	671
Housing Clinically Extremely Vulnerable 21/22	0	0	0
Housing Register	58	37	46
Kent Housing Group Grant	0	0	0
Disabled Facilities Grant Administration	(50)	(50)	(50)
Housing	160	186	162
Housing Initiatives	49	56	63
Next Steps Accommodation Programme	20	0	0
Housing Pathway Co-ordinator	0	0	0
Homelessness Prevention	128	0	0
Needs and Stock Surveys	0	0	0
Housing Energy Retraining Options (HERO)	48	130	64
KCC- Household Support Fund	0	0	0
KCC Helping Hands	0	0	0
Leisure Contract	118	112	341
Leisure Development	20	21	21
Local Strategic Partnership	0	0	4
Partnership - Home Office	0	0	0
Police & Crime Commissioners (PCCs)	0	0	0
Private Sector Housing	295	284	265
Rough Sleepers Initiative (4)	0	0	0
Admin Expenses - People & Places Communities	27	22	23
Admin Expenses - People & Places Housing	7	0	0
Sevenoaks Switch and Save	3	0	0
One You - Your Home Project	0	0	0
One You KPH	0	0	0
Community Sports Activation Fund	0	0	0
Dementia Area Project - Run Walk Push	0	0	0
One You Health Checks	0	0	0
Homelessness Funding	3	(122)	0
PCT Initiatives	0	0	0
Sportivate Inclusive Archery Project	0	0	0
Sport Satellite Clubs	0	0	0
Troubled Families Project	0	0	0
KCC Specialist Weight Management	0	0	0
Youth	45	50	66
Total Service Expenditure	1,805	1,548	2,061

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
People & Places			
Pay Costs	1,594	1,442	1,471
Premises and Grounds	10	10	10
Transport	11	14	10
Supplies & Services	93	75	79
Supplies & Services IT	36	0	0
Agency & Contracted	811	396	430
Agency & Contracted - Direct Services	2	0	0
Transfer Payments - Other	1,242	329	539
Funds drawn to/from Reserves	(318)	284	279
Capital Charges	0	0	174
Income - Other	(851)	(786)	(816)
Income - Gov Gnts	(213)	0	0
Income - Fees and Charges	(609)	(217)	(116)
Recharges	(3)	0	0
Total Service Expenditure	1,805	1,548	2,061

Analysis of budget changes between 21/22 and 22/23

Base Budget 2021/22	1,548
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	30
Planned savings agreed previous years	0
<u>SCIAs 2022/23</u>	
22/23 SCIA 1 Temporary Accommodation 2 years only	300
22/23 SCIA 2 Temporary Accommodation Charge	(36)
22/23 SCIA 3 Hever Road Rental Collection	(7)
22/23 SCIA 4 Mobile Home Inspections	(2)
22/23 White Oak Leisure Centre	235
Other Adjustments	(7)
Proposed Budget 2022/23	2,061

Net Service Expenditure analysed by Service

	Actuals 20/21 £'000	Budget 21/22 £'000	Budget 22/23 £'000
Planning & Regulatory Services			
Building Control Partnership Members	0	0	0
Building Control Partnership Hub (SDC Costs)	0	0	0
Building Control	(135)	(130)	(161)
Conservation	134	120	129
Dangerous Structures	1	3	3
Dartford Environmental Hub (SDC Costs)	0	0	0
EH Commercial	282	304	320
EH Animal Control	13	22	23
EH Environmental Protection	371	346	375
Licensing Partnership Hub (Trading)	(11)	0	0
Licensing Partnership Members	0	0	0
Licensing Regime	17	44	56
Planning Policy	476	483	500
LDF Expenditure	0	0	0
Decarbonisation Fund Net ZERO 2030	0	0	65
Planning - Appeals	211	202	215
Planning - CIL Administration	(51)	(66)	(68)
Planning - Counter	(2)	(6)	(6)
Planning - Development Management	38	(69)	(72)
Planning - Enforcement	357	289	341
Planning Performance Agreement	0	0	0
Planning - Development Management - Software Project	0	0	0
Administrative Expenses - Building Control	2	12	13
Administrative Expenses - Health	2	5	5
Administrative Expenses - Licensing	2	7	7
Administrative Expenses - Planning Services	55	49	50
Taxis	8	11	7
Air Quality (Ext Funded)	0	0	0
Total Service Expenditure	1,769	1,626	1,801

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
Planning & Regulatory Services			
Pay Costs	3,476	3,306	3,459
Premises and Grounds	3	5	5
Transport	4	10	11
Supplies & Services	127	128	140
Supplies & Services IT	65	2	2
Agency & Contracted	529	360	439
Agency & Contracted - Partnerships	1,102	141	155
Agency & Contracted - Direct Services	21	39	40
Transfer Payments - Other	2	0	0
Support Services	0	11	11
Funds drawn to/from Reserves	29	72	72
Income - Other	(478)	(426)	(432)
Income - Gov Gnts	0	0	0
Income - Fees and Charges	(2,783)	(1,880)	(1,946)
Recharges	(2)	0	0
Recharges - Partnerships	(325)	(143)	(155)
Total Service Expenditure	1,769	1,626	1,801

Analysis of budget changes between 21/22 and 22/23

	1,626
Base Budget 2021/22	
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	34
Planned Savings agreed previous years	50
<u>SCIAs 2022/23</u>	
22/23 SCIA 9 Dev Management Additional Fee Income 2 years only	(25)
22/23 SCIA12 Building Control:	(26)
Other Adjustments	142
Proposed Budget 2022/23	1,801

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Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
Strategic Head Commercial and Property			
Asset Maintenance Argyle Road	77	79	80
Asset Maintenance Other Corporate Properties	34	35	36
Asset Maintenance Hever Road	41	40	41
Asset Maintenance Leisure	202	190	193
Asset Maintenance Support & Salaries	192	138	142
Asset Maintenance Sewage Treatment Plants	0	9	9
Bus Station	15	8	8
Economic Development	34	38	39
Economic Development Property	441	443	455
Estates Management - Buildings	69	(16)	(13)
Housing Other Income	(15)	(14)	(14)
Housing Premises	(0)	16	17
Asset Maintenance Operatives	(12)	5	7
Administrative Expenses - Property	1	3	3
Administrative Expenses - Strategic Property	4	0	0
Support - Central Offices	504	483	496
Support - Property Function	59	52	55
Tourism	26	30	33
Leader Programme	5	0	0
West Kent Business Rates Retention	0	0	0
West Kent Enterprise Advisor Network	0	0	0
West Kent Kick Start	0	0	0
West Kent Partnership	0	0	0
West Kent Partnership Business Support	(4)	0	0
Total Service Expenditure	1,673	1,536	1,586

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	20/21	21/22	22/23
	£'000	£'000	£'000
Strategic Head Commercial and Property			
Pay Costs	876	923	1,005
Premises and Grounds	1,110	1,137	1,064
Transport	10	0	0
Supplies & Services	60	40	41
Supplies & Services IT	2	0	0
Agency & Contracted	482	18	19
Agency & Contracted - Direct Services	2	0	0
Support Services	0	41	41
Funds drawn to/from Reserves	106	100	90
Capital Charges	150	150	150
Income - Other	(285)	(429)	(301)
Income - Gov Gnts	0	0	0
Income - Fees and Charges	(814)	(232)	(301)
Recharges	(25)	(211)	(222)
Total Service Expenditure	1,673	1,536	1,586

Analysis of budget changes between 21/22 and 22/23

Base Budget 2021/22	1,536
Inflation (inc pay increments and terms and conditions SCIA 62; 63 14/15)	43
Planned Savings agreed previous years	
<u>SCIAs 2022/23</u>	
Other Adjustments	7
Proposed Budget 2022/23	1,586

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PAY COST ESTIMATES SUMMARY 2022/23**Appendix H**

Serivces	Line No.	2021/22 BUDGET £	2022/23 BUDGET £	2021/22 FTE	2022/23 FTE
People & Places - Communities	1a	389,902	330,206	5.00	4.50
People & Places - Housing	1b	770,726	874,451	15.20	17.31
Strategic Properties	1c	804,467	851,525	14.65	19.95
Corporate Services	2a	2,942,886	2,957,177	68.25	67.72
Revenues & Benefits	2b	1,659,553	1,693,109	43.33	43.78
Assistant Chief Executive	3a	891,725	892,123	20.35	19.35
Finance & Audit	3b	1,167,317	1,238,046	17.08	18.81
Operational Services	3c	4,382,235	5,131,527	125.97	141.30
Parking Services	3d	499,760	0	14.00	0.00
Planning	4a	1,963,941	2,004,533	41.47	40.75
Building Control	4b	381,398	347,809	8.00	7.00
Environmental Health	4c	711,910	646,425	12.57	11.72
Licensing	4d	483,192	501,183	10.59	10.59
Total		17,049,012	17,468,114	396.46	402.78
Other Salary Costs					
Vacancy Savings	5	(153,334)	(156,401)	0.00	0.00
SUB-TOTAL		16,895,678	17,311,713	396.46	402.78
People & Places - Communities (Ext)	6	264,058	135,767	6.08	3.35
People & Places - Housing (Ext)	7	149,410	153,758	4.00	4.00
Kent Resource Partnership (Ext)	8	126,069	0	2.00	0.00
Strategic Property (Ext)	9		198,995	0.00	5.95
GRAND TOTAL		17,435,215	17,800,233	408.54	416.08

NOTES 1) Externally funded posts (lines 6 to 9) have been excluded from earlier lines. The income will show elsewhere in the 2022/23 budget.

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Appendix J (i)

Capital Programme 2022-25

Scheme	Funding Source							
			up tp 20/21	2021/22	2022/23	2023/23	2024/25	
		Total approved scheme £000	Previous years spend £000	Forecast £000	Budget £000	Budget £000	Budget £000	Total 21/22 - 24/25 £000
People & Places								
White Oak Leisure Centre	Capital Receipts & External funding, External borrowing	19,870	8,362	11,508				19,870
White Oak Leisure centre - Orchards Academy	Capital Receipts	130		30	100			130
Burlington Mews	Capital Receipts	95		79	8	8		95
27-37 Swanley High street (meeting Point)	Capital Receipts & External funding	6,114	142	1,566	4,106	300		6,114
White Oak Residential	Capital Receipts	50		50	-	-	-	50
Affordable Housing	External Borrowing	1,050			1,050			1,050
Bevan Place	Mixed	730		350	380			730
Sevenoaks Town Centre Regeneration	Mixed	2,850	189	25	2,636			2,850
Feasibility & Due Diligence costs*	Mixed	1,220	-	20	200	650	350	1,220
Sewage Treatment Plant - replacement	Reserves	30			30			30
Farmstead Drive (Spitals Cross)	Capital Receipts	50		50	0	0	0	50
Finance and Trading								
Commercial vehicle replacements	Vehicle Renewal Res.	-	-	582	582	582	582	2,328
Disabled Facilities Grants (gross)	Better Care Fund	-	-	1,128	1,128	1,128	1,128	4,512
TOTAL			8,693	15,388	10,220	2,668	2,060	39,029

* For capital projects such as Edenbridge, Hollybush, Spitals Cross, Otford Park & Ride, Westerham, Kemsing and Lullingstone

Funding Sources	up tp 20/21 £000	2021/22 £000	2022/23 £000	2023/23 £000	2024/25 £000
Capital Receipts		11,166	1,873	300	1,000
Financial Plan Reserve & Cap Receipts					
Vehicle Renewal Reserve		582	582	582	582
Better Care Fund (KCC)		1,128	1,128	1,128	1,128
Reserves			30		
Internal Borrowing use / (repaid)	8,693	(6,784)	851	8	(1,000)
Mixed funding depending on scheme funding		395	3,216	650	350
External Borrowing		8,000	1,050		
Grant Funding		900	1,490		
	8,693	15,388	10,220	2,668	2,060

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Capital Programme 2022/25

Scheme Bid Document - Scheme: Disabled Facility Grant

Description: Money provided by the Better Care Fund for the provision of both mandatory and discretionary activities to ensure those eligible for assistance remain residing in their own home along with the new requirement to fund initiatives to better integrate housing with social care and Health Services, through preventive and responsive services.

Service : Private Sector Housing

Portfolio Holder/Chief Officer : Cllr Maskell / Sarah Robson

Financials :

CAPITAL COSTS	Period	2022/23	2023/24	2024/25
	TOTAL			
	£000	£000	£000	£000
Gross scheme cost	3,384	1,128	1,128	1,126
External Contributions (list)				
Better Care Fund, via KCC	(3,384)	(1,128)	(1,128)	(1,128)
Net scheme cost	0	0	0	0

ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost	0	0	0
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Funding Source : Scheme will be fulling funded from the Better Care Fund.

Other Resource Implications :	
Staffing	Managed with existing staffing establishment
Asset Values	Assets not in Council ownership

Justification:

It is a statutory duty to provide DFGs to older and or disabled residents. The Council's DFG service is eligible for Ministry of Housing, Communities and Local Government (MHCLG) funding. Larger grants are managed by Home Improvement Agency (HIA).

From 2015 the Better Care Fund for Kent has been administered by KCC (ring fenced for and passed onto each District).

Net Zero Implications

Either: the decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. As these are assets the Council will not own 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

Capital Programme 2022/25

Scheme Bid Document - Scheme: Vehicle Replacement Programme

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

Service : Direct Services

Portfolio Holder/Chief Officer : Councillor Margot McArthur/Adrian Rowbotham

Financials :

CAPITAL COSTS	TOTAL	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Gross scheme cost	1,689	563	563	563
External Contributions (list)				
Net scheme cost	1,689	563	563	563
ONGOING REVENUE IMPLICATIONS (excluding loss of interest)				
Contribution to Vehicle replacement Reserve		61	61	61
Income streams				
Net cost		61	61	61

Funding Source: Funding is via the vehicle replacement fund which is financed by fixed transport charges, the sale of old vehicles and by an annual revenue contribution. Fixed transport charges include an annual replacement fund contribution as well as individual depreciation charges levied on each fleet purchase over predetermined periods.

Other Resource Implications :	
Staffing	Managed by Direct Services fleet management.
Asset Values	Approximately £9 million

Justification:

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

Net Zero Implications

Either: 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

Capital Programme 2022/25

Scheme Bid Document - Scheme Name:

Description: Sewage Treatment Plant end of life replacement

Service :

Portfolio Holder/Chief Officer :

Financials :

CAPITAL COSTS	Period	2022/23	2023/24	2024/25
	TOTAL			
	£000	£000	£000	£000
Gross scheme cost	30	30		
External Contributions (list)				

Net scheme cost	30	30	0	0
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ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost	0	0	0
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Funding Source : Sewage Treatment Reserve (BS020)

Other Resource Implications :

Staffing

Asset Values

Justification: Statutory Duty

Following issues with maintenance & recharging householders using our sewage treatment plants (STP). We commissioned a survey for each plant. This has highlighted Forge View & Parsons Croft STPs are beyond end of life & not compliant with the binding rules. I am investigating replacement costs, the figure I have put onto this form is the guide cost on the reports to replace both plants.

Net Zero Implications

Either: 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

The Capital Strategy 2022/23

Purpose of the Capital Strategy

- 1 The Capital Strategy sets out how the Council will manage the investment and financing of capital resources to contribute towards the achievement of its key objectives and priorities. This includes the appraisal process for determining investment decisions and the process for identifying and prioritising funding requirements.
- 2 The Capital Strategy is a framework by which capital expenditure decisions are made. It is required under the Prudential Code as a measure of good governance.
- 3 The objectives of the Capital Strategy are to:
 - Prioritise and deploy capital resources in advancement of corporate objectives;
 - Support service plans;
 - Look for opportunities for cross-cutting and joined up investment;
 - Invest in assets that reflect the visions and aspirations of local people in service delivery; and
 - Manage investment and the Council's property and other assets effectively and efficiently.
- 4 The strategy considers all aspects of the Council's capital expenditure and forms part of the Council's integrated revenue, capital and balance sheet planning.
- 5 The strategy covers capital expenditure, capital financing and asset management and is one of the Council's key strategies. It also gives an overview of how risk is managed and the implications for future financial sustainability. It also provides a set of objectives and a framework, within the CIPFA Codes and statutory legislation, by which new capital projects are evaluated and investment decisions made, whilst ensuring that funding is targeted towards meeting corporate priorities.
- 6 The Capital Strategy:
 - States the Council's processes for project initiation, deciding on the prioritisation of capital projects and monitoring and evaluating schemes;
 - Takes account of significant revenue implications;

- Provides a framework for the management and monitoring of the capital programme;
- Identifies funding streams and provides a basis to inform bidding for additional capital resources (e.g. government initiatives); and
- Informs the corporate review of existing properties.

Project Initiation

- 7 Capital projects are subject to a robust justification process, bringing together a clear business case with sufficient detailed costings to ensure that transparent decisions can be taken. Proposals are given independent oversight and review of the project in terms of validation arrangements, estimated figures and project milestones. Business cases are prepared in accordance with good project management principles.
- 8 A formal process is drawn up to ensure that projects are subject to thorough oversight for the duration of the scheme. Project management sits with the initiating team or department and there are clearly defined areas of responsibility for each task within the project.
- 9 For larger projects where feasibility is less certain, more robust business cases are prepared before bids for funds are made. This includes undertaking all preparatory work to fully understand the requirements of a project before a budget is sought. There must be a clear link between budgets and service plans.

Prioritisation of capital projects

- 10 Capital projects will be assessed for:
 - Strategic fit - corporate objectives are being met by the expenditure;
 - Identified need - e.g. essential repairs and maintenance of existing assets;
 - Achievability - this may include alternatives to direct expenditure by the Council such as partnerships with others;
 - Affordability - to ensure that total capital expenditure remains within sustainable limits;
 - Practicality and deliverability;
 - Revenue generation achieved from the investment; and
 - Non-monetary impacts such as future economic growth, social well-being or environmental improvement.

Monitoring and evaluating schemes

- 11 For all capital investment the appropriate level of due diligence will be undertaken, with the extent and depth reflecting the level of risk being considered. Due diligence will include:
- Identification of the risk to both the capital sums invested and the returns;
 - Understanding the potential impact on the financial sustainability of the Council if the risks come to fruition;
 - Identifying assets being held for security against any potential debt or charges on assets; and
 - Seeking independent and expert advice where necessary.
- 12 The Deputy Chief Executive and Chief Officer Finance & Trading will ensure that Members are adequately informed and understand the risks of capital investment.
- 13 Project proposals will be put to Council for formal approval together with funding requirements and, if successful, will form the Council's capital programme which is its plan of capital investment for future years. This ensures that the Council's overall capital strategy, governance procedures and risk appetite are fully understood by all Members.

Revenue implications

- 14 The revenue implications of capital investment must always be considered in investment decisions and the prioritisation of projects. These include costs and savings implications. Costs to consider include:
- Cost of borrowing (including Minimum Revenue Provision);
 - Loss of investment income if reserves or useable capital receipts are deployed; and
 - Running costs associated with the asset (e.g. employee salaries, heat and light, administrative support costs and future maintenance).

Savings, including benefits, to identify include:

- Any positive impact of investment and economic growth on the Council's council tax base and business rates income; and
- Capital projects that generate income, revenue savings or efficiencies.

Funding the Capital Strategy

- 15 Proposals for capital projects must identify the funding requirements for the timescale of the project including any revenue implications. Funding must be appropriate for the project and will come from:
- Reserves;
 - Capital receipts - from the sale of assets or finance lease receipts;
 - Government grants - such as disabled facilities grant funding;
 - Third party grants and contributions;
 - Community Infrastructure Levy;
 - Revenue contributions;
 - Other developer contributions; and
 - External borrowing.
- 16 The Secretary of State believes that individual local authorities are best placed to decide which projects will be most effective for their area. The key criteria to use when deciding whether expenditure can be funded by the increased flexible use of capital receipts is that it is forecast to generate ongoing savings.

Borrowing

- 17 The Council's approach to borrowing is set out in its Treasury Management Strategy Statement. The Council may consider internal or external borrowing. Prior to undertaking any external borrowing, affordability, the maturity profile of existing debt, interest rate and refinancing risk and the borrowing source should be given due consideration.
- 18 Local authorities are required to set aside some of their revenues as provision for debt each year of an amount considered to be 'prudent' (the Minimum Revenue Provision or MRP). Prudent provision should ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefit.

Commercial activities and investment property

- 19 CIPFA defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

- 20 With reductions in funding that the Council has faced, it is having to look at commercial activities and property investment to supplement its income and support service delivery. However, to minimise risk of potential loss of income in the longer term, it needs to ensure that any investment opportunities are based upon sound decision making that considers the future likelihood of investment income reducing. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave properties remaining vacant.
- 21 The detail is contained in the Council's Property Investment Strategy which documents the Council's requirements, but when making commercial investment decisions the Council will follow the following principles:
- Commercial investments will only be made to enhance the Council's asset portfolio and will be linked to delivery of the Ten Year Budget;
 - Consideration will be given to the economic development potential of any investment decision;
 - Expert advice will be sought to ensure that any investment decision is based upon sound market intelligence, forecasts for future investment returns and yields that offer sound investment return without risking the capital invested;
 - Any borrowing linked to investment opportunities is secured upon the potential guaranteed element of the investment return so that any liability can be met from the activity undertaken; and
 - Investment opportunities will always ensure that the Council's investment is protected as far as possible either through increases in capital value or from guaranteed revenue income.
- 22 The Property Investment Strategy makes it clear that the Council will continue to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by a robust governance process. However, proportionality in respect of overall resources will remain an important factor.

Consideration of risk

- 23 The capital programme and property investment strategy form an important part of the Council's strategy for delivering its overall priorities. Accordingly, it is vital that the associated risks are managed actively. The Council has a comprehensive risk management framework, through which risk in relation to capital investment is monitored. Risk registers are maintained at corporate and budgetary levels and are reviewed and updated on a regular basis by the Risk Management Group and the Audit Committee.
- 24 As far as the capital programme is concerned, risks at the corporate level could be generic, relating to a number of capital projects, although it is

possible that a single capital project could pose a corporate risk. At the budgetary level, risks in this area would relate to the funding of the capital programme and over/underspending on individual capital projects.

- 25 As far as the property investment strategy is concerned, the risks associated with this activity are detailed in paragraphs 20 and 21 above and are the subject of a specific section within the Strategic Risk Register.

Knowledge and skills

- 26 The Council has professionally qualified staff across a range of disciplines, including finance, legal and property that follow continuous professional development (CPD) and maintain knowledge and skills through attendance on courses and through regular technical updates from appropriate bodies.
- 27 The Council utilises the knowledge and skills of these officers when considering capital investment decisions and, where necessary, it also relies on the expert knowledge of specialist external advisors. Some of these advisors are contracted long term or are appointed on an ad-hoc basis where necessary. Link Asset Services, provide treasury management advice, including investments, borrowing and capital financing.
- 28 External professional advice will always be sought when considering any major commercial property investment decision.

Statement of Reserves and Provisions

1. This appendix sets out details of the reserves and provisions held by the council. These balances have been subject to a detailed review as part of the budget process. **The items in bold show the changes that are being recommended.**
2. One of the requirements of the Financial Planning Strategy is to have flexible use of the Budget Stabilisation Reserve. The fund incorporates any annual under-spends and absorbs any annual over-spends. **It is recommended that any variance in the 2022/23 budget is put into this reserve or absorbed by this reserve.**
3. As explained in the separate ‘White Oak Leisure Centre: New Build and Operator Procurement - Progress Report’ **it is recommended to move £1.095m from the Budget Stabilisation Reserve to fund part of the additional costs of the new leisure centre.** The split of funding may change due to actual development costs, the cost of borrowing at the time loans are taken out and the amount of capital receipts received.
4. The table below sets out the reserves and provisions held as at 1 April 2021.

	Balance as at 01/04/21 £000	Purpose (some further details are included in the Statement of Accounts)
Provisions		
Business Rates Appeals	3,270	The Council has to provide for its share of the costs arising from successful appeals by business ratepayers.
Accumulated Absences	327	Absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences (e.g. annual leave) earned but not taken in the year. Opposite entry in Unusable Reserves.
Municipal Mutual Insurance (MMI)	256	A solvent run-off of MMI is now unlikely which may result in Councils being liable to clawback of monies paid out.
Sub Total	3,853	
Capital Receipts		
Capital Receipts	1,876	Balance from previous asset sales. Can be used to fund future capital expenditure.
Earmarked Reserves		
Action and Development	296	To fund ad hoc and unplanned expenditure (e.g. due to an emergency).
Asset Maintenance	500	To fund emergency works to assets.
Budget Stabilisation	9,820	To support decisions required to continue to produce a balanced budget in future years.
Business Rates Retention	8,071	To manage the volatility in yearly cash flows in the Collection Fund caused by the complexities in the Business Rates Retention Scheme.
Capital Financing	221	Annual contributions from revenue to fund some capital projects.
Carry Forward Items	1,218	For specific items agreed by Cabinet, e.g. if a project has slipped between years.
Community Infrastructure Levy Administration	185	To be spent on the administration of the levy.
Corporate Project Support	212	To fund investigation and development of corporate projects.
Development Services	113	To fund ongoing and future projects.
Financial Plan	2,653	To support the 10-year budget and Property Investment Strategy.

	Balance as at 01/04/21 £000	Purpose (some further details are included in the Statement of Accounts)
Housing and Commercial Growth Fund	566	To fund projects as part of the West Kent Partnership within the district
Housing Benefit Subsidy	550	Provides a cushion against large movements in reclaimable sums in any year.
IT Asset Maintenance	779	To fund future IT asset maintenance costs.
Local Plan	318	To help support the Local Plan.
New Homes Bonus (NHB)	406	To support the 10-year budget including 'invest to save' initiatives and support for the Property Investment Strategy.
Pension Fund Valuation	441	To contribute towards downturns in future pension fund actuarial valuations.
People and Places	204	External funding received for ongoing and future projects.
Property Investment Strategy Maintenance	233	To fund future maintenance and void periods.
Vehicle Insurance	258	Own vehicle damage for the commercial vehicle fleet.
Vehicle Renewal	696	To fund future commercial vehicle replacements.
Others	648	Includes District Elections, Rent Deposit Guarantee, Local Strategic Partnership, Electoral Registration etc.
Sub Total	28,388	
General Fund	1,700	Acts as a working balance to meet unexpected issues during the year, for which a minimum of 10% of net service expenditure recommended. It also meets any planned deficits on the revenue account.
TOTAL	35,817	

Definitions:

Provisions - funds to provide for liabilities or losses which are known obligations but are uncertain as to amounts or dates.

Capital Receipts - money obtained on the sale of a capital asset (normally land and buildings). Such receipts can only be used to repay debt, or to finance capital investment.

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

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

Financial Risks Budget 2022/23

The Financial Risks are detailed below. The impact and likelihood of each risk are first assessed gross (without existing controls in place) and then re-assessed following the identification of key controls (net)

Likelihood	Very Likely (5)	16		13	17	
	Likely (4)			14		
	Possible (3)	8	10	3, 6, 15, 19	1, 5	
	Unlikely (2)		7, 18, 21	4,	22	
	Very Unlikely (1)		20	2		11
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
Impact						

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Agenda Item 7

- No matrix for risk 9, 12

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
1) Pay Costs <ul style="list-style-type: none"> Largest single item of cost. Complex drivers across the organisation. Staff recruitment and retention. 2021/22 National Pay Award current offer 1.75% and the level of future pay awards remains uncertain Health and Social Care Levy (extra 1.25% NI from 01/04/22) 	<ul style="list-style-type: none"> £15.5m total costs. 2% pay increase = £338k. Budget assumptions: 2% pay award in all years. Increased costs of c£100,000 due to be offset by Govt funding but full real effects not yet known 	4	4	16	<ul style="list-style-type: none"> New salary bands introduced from 1 April 2019 which reduced the costs of annual increments. Formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement. 	3	4	12	3	4	12
2) Pensions Funding <ul style="list-style-type: none"> Deficit on County Fund. Future actuarial results. Government review. 	<ul style="list-style-type: none"> £15m deficit 1% change in employers' contribution = £100k 	2	4	8	<ul style="list-style-type: none"> £100k included in 10-year budget in 2023/24 to contribute towards any additional pensions costs when the next valuation takes place 	1	3	3	1	3	3

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
3) <u>Income - Development Management</u> <ul style="list-style-type: none"> • Volatile activity levels in the housing market and general economic conditions. Fluctuations in income with major applications 	<ul style="list-style-type: none"> • £0.9m loss • 10% reduction would be £90k. 	4	3	12	<ul style="list-style-type: none"> • Current year income is above target. • Continue to monitor. 	3	3	9	3	3	9
4) <u>Income - Building Control</u> <ul style="list-style-type: none"> • Volatile activity levels in the housing market and general economic conditions. • Competition from commercial organisations 	<ul style="list-style-type: none"> • £0.5m loss • 10% reduction would be £50k 	3	3	9	<ul style="list-style-type: none"> • Current year income is above target. • Financial monitoring and reports 	2	3	6	2	3	6
5) <u>Income - Car Parks</u> <ul style="list-style-type: none"> • General economic conditions; central government directives; ongoing impact of the COVID-19 pandemic. 	<ul style="list-style-type: none"> • £3.0m • 10% reduction would be £300k 	4	4	16	<ul style="list-style-type: none"> • Current year income is below target. Continue to monitor. • Financial monitoring and reports 	3	4	12	3	4	12
6) <u>Income - On-Street Parking</u> <ul style="list-style-type: none"> • General economic conditions. Legislative constraints on spending 	<ul style="list-style-type: none"> • £1.0m • 10% reduction would be £100k 	4	3	12	<ul style="list-style-type: none"> • Current year is below target. Continue to monitor and review. 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
surpluses. Reverts to KCC control. <ul style="list-style-type: none"> Ongoing impact of the COVID-19 pandemic. 											
7) <u>Partnership working and partner contributions</u> <ul style="list-style-type: none"> Partner actions delayed. Agreed funding not received by SDC. Partnerships ending. 	<ul style="list-style-type: none"> £0.7m Impact on individual projects is high. 	3	2	6	<ul style="list-style-type: none"> Separate accounting arrangements. Active liaison with partners on service arrangements Written partnership agreements. Partnership arrangements are monitored to ensure they are still appropriate. 	2	2	4	2	2	4
8) <u>External Funding Awards</u> <ul style="list-style-type: none"> In the 22/23 budget 13.35 FTE are externally funded 	<ul style="list-style-type: none"> £0.6m cost funded 	3	2	6	<ul style="list-style-type: none"> Exit Strategies in place 	3	1	3	3	1	3

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
	<ul style="list-style-type: none"> Impact on individual projects is high 										
9) <u>Changes in service demand</u> <ul style="list-style-type: none"> Impacts will vary depending on service. 	<ul style="list-style-type: none"> N/A 	0	0	0	<ul style="list-style-type: none"> Service planning in place Continue to lobby Government where changes are due to new Gov't requirements. 	0	0	0	0	0	0
10) <u>Interest Rates</u> <ul style="list-style-type: none"> Large cash variance from small rate changes. Reducing availability of suitable counter parties 	<ul style="list-style-type: none"> Up to £0.188m 22/23 budget £250k per 0.5%. 	4	2	8	<ul style="list-style-type: none"> Use of professional advisers. Internal borrowing used for capital investment projects reduces the balances available to invest which in turn less bank interest earned. Implementation of new investment vehicles to maximise returns 	3	2	6	3	2	6

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
11) Investments <ul style="list-style-type: none"> Financial institutions going into administration. Lower balances to invest. 	<ul style="list-style-type: none"> £38.7m balance at Nov 2021 	2	5	0	<ul style="list-style-type: none"> Investment strategy regularly reviewed by FIAC. Use of professional advisers. 	1	5	5	1	5	5
12) Government Support: Revenue Support Grant	£0 in 2021/22 revenue budget	0	0	0	<ul style="list-style-type: none"> Excluded grant from budget from 16/17 onwards so SDC became self-sufficient from govt. funding. Adequate level of General Reserve held. 	0	0	0	0	0	0
13) Government Support: Retained Business Rates <ul style="list-style-type: none"> Government changing baseline and therefore safety net levels. Time delays in decisions on appeals. High volume of successful valuation appeals. 	<ul style="list-style-type: none"> £2.1m in 2021/22 £20k per 1% change 	5	4	20	<ul style="list-style-type: none"> 10-year budget strategy gives ability to gradually adjust for changes. Adequate level of General Reserve held. 	5	3	15	5	3	15

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
<ul style="list-style-type: none"> Central government intends to introduce business rate but timeline uncertain. 											
14) Council tax Referendum limits <ul style="list-style-type: none"> Council tax increases limited budgeted at 2% or £5 in 21/22 per draft announcement but subject to change dependant on final Government announcement 	<ul style="list-style-type: none"> £11.2m Council Tax income in 21/22 £100k per 1% Government controls on changes in council tax rates 	4	4	16	<ul style="list-style-type: none"> Draft 10-year budget includes council tax increase assumptions for future years. 	4	3	12	4	3	12
15) Future Service Changes by Government <ul style="list-style-type: none"> Additional services without consequent resources, e.g. previous examples of Maint. of trees on common land. Government directives on income charging e.g. Personal searches. 	<ul style="list-style-type: none"> N/A 	4	4	16	<ul style="list-style-type: none"> Monitor proposals. Respond to consultations with local view. 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
Potential changes on health responsibilities.											
16) Fuel cost increases for Direct Services <ul style="list-style-type: none"> Changes in global oil prices. 	<ul style="list-style-type: none"> 10% increase would be £60k 	5	2	10	<ul style="list-style-type: none"> Continue to monitor fuel usage and efficiency. Vehicle replacement programme. 	5	1	10	5	1	10
17) COVID-19 <ul style="list-style-type: none"> All areas of income generation Some areas of expenditure 	Loss of income and additional costs £3.6m	5	5	5	<ul style="list-style-type: none"> Continue to monitor and implement savings in 10-year budget. Government Income Compensation Scheme and reserves used to fund 1 off costs. 10-year budget to allow for ongoing net service costs. 	5	4	20	5	4	20

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR02: Property Investment Strategy - Failure to identify opportunities to meet the Property Investment Strategy Lead Officer: Adrian Rowbotham & Detlev Munster											
18) <u>Capital Investment resources</u> (Capital receipts, Capital Financing Reserve, Financial Plan Reserve, Internal Borrowing, External Borrowing) <ul style="list-style-type: none"> Capital receipt levels modest. Capital receipts not sufficient to fund required capital programme 	<ul style="list-style-type: none"> Capital Receipts 22/23 £1.5m, Capital Financing reserve £1.5m. (balances at Nov 2021). Risks taken into account in the Capital Programme report. 	3	3	9	<ul style="list-style-type: none"> External funding sought wherever possible. Capital Investment priorities in place. Property Review being pursued to secure asset sales. External Borrowing approved as an option for future investments 	2	2	4	2	2	4
19) <u>Property Investment Strategy</u> <ul style="list-style-type: none"> Market value of property may reduce below price at acquisition 	<ul style="list-style-type: none"> £31.3m invested at Sept 2020 £1.468m rental income in 21/22 	4	3	12	<ul style="list-style-type: none"> External property investment advisors retained for each acquisition; due diligence 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
<p>SR02: Property Investment Strategy - Failure to identify opportunities to meet the Property Investment Strategy</p> <p>Lead Officer: Adrian Rowbotham & Detlev Munster</p>											
<ul style="list-style-type: none"> PWLB no longer available as a funding option 					<p>undertaken pre-purchase.</p> <ul style="list-style-type: none"> Purchases only made within strategy, which is kept under review. Separate Property Investment Strategy Risk Register. 						
<p>20) Rental Income (Non-Property Investment Strategy)</p> <ul style="list-style-type: none"> Property tenants unable to pay rents/length of void premises/ability to source new tenants 	<ul style="list-style-type: none"> £0.1m in 2022/23 budget <p>Dependant on financial strength of tenants + good management to reduce impact of void periods.</p>	2	2	4	<ul style="list-style-type: none"> Due diligence prior to letting to new tenants; tight control on rent payments 	1	2	2	1	2	2

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
<p>SR03: Asset Management & Maintenance - Losing the ability to:</p> <p>a) Dispose of surplus land; b) Maintain and develop assets and land holdings; c) Secure tenants for vacant or part-vacant assets</p> <p>Lead Officers: Adrian Rowbotham and Detlev Munster</p>											
<p>21) <u>Asset base maintenance</u></p> <ul style="list-style-type: none"> Unexpected problems occurring with financial implications. Reducing budget levels. 	<ul style="list-style-type: none"> £0.6m Annual budget is based on a 20-year programme. 	3	2	6	<ul style="list-style-type: none"> 20-year maintenance programme developed to manage budgeted expenditure. Reserve funds set aside. Policy of reducing asset liabilities wherever possible. 	2	2	4	2	2	4
<p>22) <u>Disposal of Surplus Assets</u></p> <ul style="list-style-type: none"> Planning conflict. Resources required to bring sites forward. 	<ul style="list-style-type: none"> £6.87m forecast in 22/23 - 24/25 (£4.29m 	3	4	12	<ul style="list-style-type: none"> Land Owner/Planning protocols in place. 	2	4	8	2	4	8

	<p>already allocated)</p> <ul style="list-style-type: none">• Risks taken into account in the Capital Programme and Asset Maintenance report.				<ul style="list-style-type: none">• In-house property team.• Planned Property Review disposal programme.						
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Local Council Tax Reduction Scheme 2022/23

Summary

- 1 To recommend the rolling forward of the Local Council Tax Reduction Scheme 2021/22, effective from 1 April 2022.

Background and discussions

- 2 The Council is required to approve a local scheme of support for council tax each year and this has to be done by 11 March of the preceding financial year. The local scheme was therefore updated for 2021/22 on 23 February 2021. It is now recommended that the scheme approved for 2021/22 be rolled forward to 2022/23, with effect from 1 April 2022.
- 3 This scheme provides protection for pensioners in line with the Government's decision that pensioners would see no reduction in their entitlement from that under the old council tax benefit rules. It also reduces the entitlement of working age claimants by 20%.
- 4 The award of council tax reduction is by way of a discount which reduces the amount of council tax collected. Most of this reduction is borne by the major preceptors, with the Council suffering a reduction of approximately 12% of the total.

Financial Implications

- 5 The annual cost of the current CTRS is £6.861m of which £3.899m relates to working-age claimants. A large proportion of this cost is borne by the major preceptors.

Legal Implications

- 6 The scheme is governed by the Local Government Act 2013.

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Item 8 - Scrap Metal Dealer Fees

The attached report was considered by the Cleaner & Greener Advisory Committee on 5 January 2022. The relevant Minute extract is below.

Cleaner & Greener Advisory Committee (5 January 2022, Minute 27)

The Senior Licensing Officer presented the report which sought approval for the Scrap Metal Dealers license fees. The proposed fees were set locally on a cost recovery basis and included a 2% inflationary cost. There were currently two site licenses in Sevenoaks District.

Resolved: That it be recommended to Cabinet that the fees as set out below be approved.

Type of Application	2021/2022 Current Fee	2022/2023 Proposed Fee
Site Licence - Grant (3 years)	£497	£507
Site Licence - Renewal (3 years)	£420	£428
Collectors Licence Grant/Renewal (3 years)	£303	£309
Minor administrative change to licence	£33	£34
Variation - change of site manager	£180	£184
Variation from collector to site licence	£215	£219
Variation from site to collector licence	£139	£142

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SCRAP METAL DEALER LICENCE FEES 2022-2023

Cleaner & Greener Advisory Committee - 5 January 2022

Report of: Chief Officer, Planning & Regulatory Services

Status: For consideration and decision

Also considered by:

- Cabinet

Key Decision: No

This report supports the Key Aim of: Safe Communities to aid in the reduction of crime within the District

Portfolio Holder: Cllr. Margot McArthur

Contact Officer: Jessica Foley, Senior Licensing Officer Ext. 7480

Recommendation to Cleaner & Greener Advisory Committee:

That Cabinet be recommended to approve the appropriate fee levels as set out in paragraph 25 of the report.

Recommendation to Cabinet:

That, subject to the comments of the Cleaner & Greener Advisory Committee, the fees set out in paragraph 25 of the report be approved.

Reason for recommendation: To ensure that the Council complies with its Statutory duty under the Scrap Metal Dealers Act 2013 and ensure that the licensing of Scrap Metal Dealers is self-financing, in accordance with the Council's Service and Budget Plan.

Introduction and Background

- 1 The Scrap Metal Dealers Act 2013 repealed the Scrap Metal Dealers Act 1964 (and related legislation) and Part 1 of the Vehicles (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries. The Act maintains local authorities as the principal regulator, but gives them the power to better regulate these industries by allowing them to refuse to grant a licence to 'unsuitable' applicants and a power to revoke licences if the dealer becomes 'unsuitable'.

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- 2 The licensing regime introduced by the Act is very similar to the licensing of taxi drivers and the issuing of Personal Licences under the Licensing Act. The suitability of applicants is based on a number of factors as outlined in the Act, including any unspent relevant criminal convictions. Whilst it is expected that straightforward applications will be decided under delegation to Officers, any applications with objections where the applicant wishes to make representations would need to be heard at a hearing, with an option to appeal their decision to the Magistrates' Court.
- 3 It had been expected that the Home Office would make regulations about the new Scrap Metal Dealer Act which would allow the Council to manage the licensing process in the same way it manages its other licensing functions, namely to delegate them to the Licensing Committee. Although the Act has come into force these regulations have not been made. This means that these matters are the responsibility of Cabinet rather than Council and the Licensing Committee. Delegations from the Leader to the relevant Officers are made separately.

Licences

- 4 Under the Act there are two types of licence; a site licence and a collector's licence, which are both administered by the local authority. Site managers need to be named on site licences. Collectors need a licence in each local authority area in which they collect. Both types of licence last for three years.
- 5 The local authority must be satisfied that the applicant is a suitable person to hold a licence before it can grant a licence. The scope of this requirement will include applicants, site managers, directors, secretaries and shadow directors of companies.
- 6 The Council requires a photograph to accompany the application for a Collector's Licence. The photograph forms part of the licence document and enables Officers to identify licensed collectors.

Determining Applications

- 7 Section 3 of the Act states that a Council must not issue a licence unless it is satisfied the applicant is a suitable person to carry on a business as a scrap metal dealer, identified via a 'suitability test'. In the case of a partnership, the suitability of each partner will be assessed. In the case of a company, it means assessing the suitability of any directors, company secretaries, or shadow directors.
- 8 In assessing an applicant's suitability, the Council can consider any information considered relevant. The Council will be in a stronger position to defend any challenges to a decision to refuse a licence where the decision is based on the factors specifically listed in legislation, which includes whether:

- 9 The applicant or site manager has been convicted of a relevant offence or subject to any relevant enforcement action.
- 10 The applicant has previously been refused a scrap metal dealers licence or an application to renew a licence has been refused.
- 11 The applicant will be required to complete an application and declare that the information provided is correct. The applicant will commit an offence under the Act should they make a false statement, or recklessly make a statement which is false in a material way.
- 12 The authority will want to satisfy itself that an applicant is suitable by checking they do not have a previous relevant conviction, have not been the subject of enforcement action, or have been refused a licence. There is no requirement under the Act for applicants to provide a Basic Disclosure Certificate (BDC). However, this authority requires applicants to submit a Basic Disclosure Certificate provided by Basic Disclosure Scotland as part of the application process. The Council will require the certificate to be within 30 days of its issue when presented with the application.
- 13 Should an applicant refuse to supply a BDC this would be grounds for the Council to consider what further information was needed to judge whether the applicant was suitable to hold a licence. Refusal to submit a BDC would be grounds for the Council to decline to proceed with the application.
- 14 The Council requires an applicant to provide a Basic Disclosure Certificate (including standard and enhanced disclosures) that are no more than one month old at the time the application is submitted. The authority recognises that a Basic Disclosure Certificate will reveal only any unspent convictions on the Police national computer. The Certificate will not provide details of convictions for relevant offences secured by the Environment Agency or equivalent, or other local authorities. For any new applications, the authority will consult with the Environment Agency or equivalent and the Police. The authority will reserve the right to also contact any other local authority it feels necessary to determine the suitability of an applicant(s).
- 15 In the case where a Basic Disclosure Certificate highlights a relevant conviction the authority will seek further information from the Police to enable the authority to better assess the applicant(s) suitability. The authority will also check public records held by the Environment Agency or equivalent to assess if any enforcement action has been taken against an individual. In certain circumstances it may be necessary to make direct contact with the above to assess if any on-going enforcement action is pending, which may not be held on a public register at the time of application.
- 16 If the Council should receive information that an applicant(s) has

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been convicted of a relevant offence, a judgement will be made whether to refuse or grant the licence. The Council will take into account any information received by an applicant or other bodies. The Council will consider the nature of the offence or enforcement action, the gravity of the offence or enforcement action, when the enforcement action was taken, or any other relevant information as defined by the Act.

Representations

- 17 In the case where the authority rejects an application(s), or revokes, or varies a licence, the Council will notify the applicant or licence holder by way of a written Notice. The Council will advise the applicant(s) or licence holder what the authority proposes to do and the reasons behind the action. The Notice will stipulate that the applicant/licence holder has the opportunity to make a representation, or let the authority know that they wish to. The applicant/licence holder has up to 14 days from the date of the Notice to respond.
- 18 If the applicant/licence holder does not make a representation, or does not say that they wish to in that time period, then the Council can refuse the application, or revoke, or vary the licence. Where the applicant states they want to make representations, the authority will provide a further reasonable period in which to do so. If the applicant fails to provide a representation within the agreed period then the authority will refuse the application, or revoke, or vary the licence.

Hearings

- 19 Where the applicant makes representations, the authority has to consider them in accordance with the Act. If the applicant wishes to make oral representations the authority will arrange a hearing. It is anticipated that these hearings will follow the procedures for hearings under the Licensing Act 2003. The Council anticipates that further guidance on hearings will be issued.
- 20 Should the Council refuse an application, revoke or vary a licence the applicant/licence holder will receive a Notice of Decision, which will set out the Council's reasons for its decision. The Notice will inform the applicant, or licence holder of their right to appeal to the Magistrates' Court and, where the licence has been revoked or varied, the date under which that comes into effect.

Conditions

- 21 In cases where the applicant or any site manager has been convicted of a relevant offence, or where the authority is revoking a licence, the authority can impose conditions on the licence. The authority can impose one or both of two conditions, these conditions specify that:
 - The dealer can receive scrap metal only between 9.00am and

5.00pm on any day, in effect limiting the dealer’s operating hours; and/or

- Any scrap metal received has to be kept in the form the dealer received it for a set period of time, which cannot be more than 72 hours.

22 There is no equivalent set of conditions for collectors.

Fees

23 The Act provides that an application for a licence must be accompanied by a fee. The fee will be set locally by each local authority on a cost recovery basis. Local authorities will have a duty to have regard to guidance issued by the Secretary of State which outlines the issues that should be considered when setting the fee and what activities the fee can cover. This fee will be an essential component of the new regime as it will provide local authorities with the funding they need to administer the legislation and ensure compliance.

24 There are currently 2 site licences in Sevenoaks District.

25 The fees have been set for 2022-2023 to include the current inflationary cost of 2% set by Sevenoaks District Council.

Proposed Fee(s)

Type of Application	2021/2022 Current Fee	2022/2023 Proposed Fee
Site Licence - Grant (3 years)	£497	£507
Site Licence - Renewal (3 years)	£420	£428
Collectors Licence Grant/Renewal (3 years)	£303	£309
Minor administrative change to licence	£33	£34
Variation - change of site manager	£180	£184
Variation from collector to site licence	£215	£219
Variation from site to collector licence	£139	£142

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Other options Considered and/or rejected

If Cabinet were minded not to approve these fees then Council would not be able to meet the Council's Service and Budget Plan or ensure the Scrap Metal Dealer Licensing Fees were self-financing.

Key Implications

Financial

There are no financial implications resulting from this report. The cost of licence fees takes into account the need to maintain a 'self-financing' position for the service. The proposals contained in this report will achieve this.

Legal Implications and Risk Assessment Statement

Should parts of industry believe the authority's fees are at a level which is greater than the costs of the statutory functions then it would be open to them to undertake a 'judicial review proceeding'. Should this arise, the authority would need to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

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

None

Background Papers

None

Richard Morris
Chief Officer Planning and Regulatory Services



Sevenoaks District Health & Wellbeing Action Plan

1 April 2022 – 31 March 2023

Sevenoaks District Health and Wellbeing Action Plan 2022-23

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Introduction: A health and wellbeing strategy for Sevenoaks District

This Health and Wellbeing Action plan aims to address the health focused priorities and actions outlined within the Sevenoaks District Community Plan (2022-25).

As outlined within the Sevenoaks Council Plan, wellbeing “runs through everything we do...”. “Wellbeing” is a unifying factor that underpins all the work we do for our residents. Sevenoaks District Council aims to improve our residents “quality of life” and we aim to achieve this through:

- Providing suitable homes for people to live in.
- Ensuring that Sevenoaks remains a safe and healthy environment to live in.
- Supporting the local economy so we have access to the jobs and services we need.
- Enabling residents to make healthy lifestyle choices and access healthy lifestyle opportunities.
- Supporting residents to live independently for as long as possible.

This Health & Wellbeing Action Plan will build upon the previous Sevenoaks District Health Inequalities Action Plan (2021-22). The actions raised in this Action Plan aim to take a life-course approach (Starting Well, Living Well, Ageing Well) and to be responsive to the Health Intelligence data we have from a number of different sources.

Sevenoaks District Profile

Unless otherwise referenced, the information listed below was sourced from the Kent Public Health Observatory or the Kent County Council District Profiles The information referenced below was sourced from the Kent County Council District Profiles (2021).

Population

According to the Office of National Statistics (2018 subnational population projections) Sevenoaks District has a population of 120,829. Using this data, we can see that Sevenoaks District population is expected to rise:

- 2025; 123,996 (2.6% increase)
- 2030; 125,818 (4.13% increase)
- 2035; 127,518 (5.54% increase)
- 2040; 129,442 (7.13% increase)

The data from the Office of National Statistics breaks down projected population growth by age group. This information forecasts demographics where we are most likely to see a growth in population;

Age Group	2019 Population	2025 Population		2030 Population		2035 Population		2040 Population	
		Number	% increase from 2019	Number	% increase from 2019	Number	% increase from 2019	Number	% increase from 2019
0-19	29,083	29,881	2.7%	29,303	0.75%	28,593	-1.69%	28,668	-1.43%
20-34	17,315	16,467	-4.9%	16,489	-4.77%	17,103	-1.23%	17,853	3.11%
35-49	23,834	24,644	3.4%	25,218	5.81%	25,054	5.12%	24,064	0.96%
50-64	24,553	25,276	2.9%	24,922	1.5%	24,879	1.33%	25,709	4.71%
65+	26,044	27,728	6.5%	29,887	14.76%	31,889	22.44%	33,149	27.28%
All Ages	120,829	123,996	2.6%	125,818	4.13%	127,518	5.54%	129,442	7.13%

As is evident from the table above, it is projected that, in the years to come, the population of Sevenoaks will increase, however it is in our older population that we will expect to see the greatest annual growth. With this information, it is important to ensure that we have services in Sevenoaks District which can cater to the needs of this growing population of older residents, but also that we are implementing health improvement services so that we can prevent the onset of ill-health in older populations for as long as possible.

Diversity

The 2011 Census data indicates that Sevenoaks District is relatively homogenous with 95.8% of the District being of a White ethnic background and 4.2% of the population being of a Black, Asian and Minority Ethnic (BAME) background. This varies between different wards in Sevenoaks District from 1.8% of the population of Cowden & Hever to 9.6% of the population of Swanley St Mary's (ONS, 2011). Across all households, the 2011 Census data indicates that 3.7% may have some residents who do not speak English as their main language, this is particularly noted in Brasted, Chevening and Sundridge (2%). It may therefore be important to be mindful of how we promote our health improvement services so we can ensure an equitable opportunity of access to these services.

Socio-Economic Status

The Kent County Council ward profiles make use of the Market Segmentation tool "Mosaic UK" which is produced by Experian Ltd (2014). Mosaic segments the UK population into 15 groups and 67 subtypes, which in turn gives an understanding of where certain "groups" of residents might live in the Sevenoaks District to help target resources. Each "group" is given a profile to define the likely experiences of the residents i.e.

- Group H are more likely to order fast food or cook ready prepared meals and therefore might be more at risk of a poor diet.
- Group J are some of the most disadvantaged people in the UK, more likely to spend money on alcohol and tobacco and find it difficult to get access to fresh food produce resulting in a poorer diet. They are also generally unfamiliar with IT and internet use is low.
- Group K are also more likely to spend money on alcohol, cigarettes and convenience foods and many do not have access to a personal computer.
- Group L also have difficulties accessing information through IT and instead rely on television or physical promotion sources (newspaper or leaflets) to access local services.
- Group N are more likely to include individuals who have recently migrated to the UK and therefore might be home to residents with whom English is not their first language and additional support may be required to access local support services.

This information is available on a ward basis, so we are able to see which areas are more likely to have high proportions of these residents;

Mosaic Group	Percentage Population in Sevenoaks District	Wards where population exceeds Sevenoaks District
Group H	8.2%	Ash (32.2%) Farningham, Horton Kirby and South Darenth (26.4%) Sevenoaks Northern (18.7%) Edenbridge North and East (17.9%) Edenbridge South and West (16.3%) Dunton Green and Riverhead (11.2%)

		Crockenhill and Well Hill (9.7%) Swanley White Oaks (8.9%) Kemsing (8.6%) Swanley Christchurch and Swanley Village (8.2%)
Group J	2.8%	Sevenoaks Town and St John's (18.9%) Sevenoaks Eastern (11.6%) Dunton Green and Riverhead (11%) Westerham and Crockham Hill (4.3%) Swanley St Mary's (3.8%)
Group K	1.8%	Swanley White Oak (10.7%) Swanley St Mary's (9.5%) Edenbridge South and West (7.8%) Edenbridge North and East (5.6%) Hextable (2.5%) Swanley Christchurch and Swanley Village (2.0%)
Group L	1.1%	Swanley White Oak (5.2%) Edenbridge North and East (4.1%) Swanley Christchurch and Swanley Village (2.7%) Edenbridge South and West (2.5%) Ash (1.8%) Farningham, Horton Kirby and South Darenth (1.8%) Sevenoaks Northern (1.3%) Westerham and Crockham Hill (1.2%) Kemsing (1.1%)
Group N	3.8%	Swanley White Oak (13.8%) Swanley St Mary's (10.2%) Farningham, Horton Kirby and South Darenth (9.4%) Eynsford (8.6%) Sevenoaks Town and St John's (7.4%) Edenbridge North and East (7.2%) Crockenhill and Well Hill (6.7%) Sevenoaks Eastern (6.3%) Hartley and Hodsell Street (3.9%)

Generally, we can see a clustering of residency surrounding our major population hubs of Edenbridge, Sevenoaks Town and Swanley with some stretch into additional areas surrounding the Northern part of the district, Kemsing and Westerham and Crockham Hill. Although universal digital health information is an ever-present for all, we have identified that some populations may have limited access to digital resources. The concept of “Progressive Universalism” (ensuring that at risk populations have additional support to create equity of health outcomes), examples of this with the above-identified geographies could include:

- The application of alternate forms of advertising (posters and leaflets) to residents who are at risk of digital poverty
- Ensuring that services are easily accessible to these residents
- Linking in with community organisations that directly support any of the above target groups.

Strategies like these aim to limit the barriers of those at the greatest risk without creating insurmountable barriers to everyone else in accessing services.

Deprivation

The Indices of Multiple Deprivation 2019 indicates that there are seven Lower Super Output Areas in Sevenoaks District that are ranked within the top 40% of Deprivation nationally, two of those are ranked within the top 20% of Deprivation nationally. We understand that residents living in the lowest areas of deprivation often have limited resources to manage life’s pressures and are therefore more at risk of ill health resulting from poor health behavioural choices. As with the socio-economic data previously presented, it is important to ensure that health improvement services are reaching and are accessible to our most at risk populations.

Sevenoaks Ward	LSOA Code	LSOA Name	Deprivation Score (deciles)
Swanley St Mary's	E01024476	Sevenoaks 002A	2
Swanley St Mary's	E01024477	Sevenoaks 002B	2
Swanley White Oak	E01024480	Sevenoaks 002D	3
Swanley White Oak	E01024482	Sevenoaks 002F	3
Swanley White Oak	E01024481	Sevenoaks 002E	4
Hartley and Hodsell Street	E01024444	Sevenoaks 004D	4
Edenbridge South and West	E01024429	Sevenoaks 014E	4

Starting Well

0-19 year olds represent around 24% of the Sevenoaks District Council population. Their health and wellbeing has an impact on everyone's future. Health and wellbeing of children and young people is the result of multiple factors including; household income, education, housing, family life and healthy environment. Below we try to give a broader understanding on the factors influencing the health of children and young people and those areas that might be more at risk of a poorer start to life.

Life Expectancy at Birth (2018-2020) Sevenoaks District

For Sevenoaks District the average life expectancy for males is 82.1 years, which is better than the England value of 79.4 years. For females, the average life expectancy is 84.2 years, which again is better than the England value of 83.1 years. There has been a slight reduction in life expectancy in Sevenoaks and England by comparison to previous data collected. However, this only tells a proportion of the story.

Life Expectancy at Birth (2015-2019)

For males, we can see a 8-year age gap dependant on where in Sevenoaks you are born, this is noted between Sevenoaks Northern (79.4 years) and Cowden and Hever (87.4 years). Sevenoaks Northern (79.4 years) is the only area in the Sevenoaks District where life expectancy in males is lower than the England value.

For Females, there is also a 9-year age gap noted between Swanley White Oak (81.3 years) and Seal and Weald (90.3 years). Farningham, Horton Kirby and South Darenth (82.8 years) is the only other area in Sevenoaks where the life expectancy in women is less than the England average.

Overweight and Obesity

The prevalence of overweight (including obesity) in Year 6 children are generally lower than the England average (28.9% in Sevenoaks and 35.2% in England, 2019/20). However when we take a closer look at Sevenoaks we can see the variance that exists across the District depending on where the child lives:

- Excess weight in reception year children (ages 4-5) 2017/18-2019/20; a 19.9% difference in percentage likelihood exists between Seal and Weald (10.5%) and Hextable (30.4%).
- Obesity in reception year children (ages 4-5) 2017/18-2019/20; a 12.9% difference in percentage likelihood exists between Sevenoaks Northern (5.3%) and Crockenhill and Well Hill (18.2%).
- Excess weight in year 6 children (2017/18-2019/20); a 25.6% difference in percentage likelihood exists between Otford and Shoreham (15.4%) and Swanley St Mary's (41%).
- Obesity in year 6 children (2017/18-2019/20); a 21.63% difference in percentage likelihood exists between Sevenoaks Town & St John's (5.9%) and Swanley St Mary's (25.6%)

Excess weight and obesity is a multifaceted problem with many causes. However, breastfeeding for up to 6 months of a baby's life has links with reduced levels of obesity and cardiovascular disease for infant (and mother). Across Sevenoaks District we can see a wide range in the uptake rate in breastfeeding at the new born visit (2016-2017), from Swanley White Oak (41.98%) to Penshurst, Fordcombe and Chiddingstone (84.71%). At the 6-8 week health visitor, check (2016-2017) the rate of breastfeeding decreases and we still see wide ranging disparity in uptake depending on where mother and infant live; Swanley St Mary's (23.81%) and Penshurst, Fordcombe and Chiddingstone (70%).

Solving the rise in obesity is a complex problem with many potential solutions; however perhaps one to investigate is around increasing the ability for our Sevenoaks District Mothers to sustain breastfeeding up to the recommended 6 months post birth. This should not however ignore the importance of other solutions such as; adapting the living environment to ensure there are more healthy food outlets for young people and ensuring there is education for young people and the local community on the importance of making healthy food choices.

Exposure to Tobacco

13.5% of Sevenoaks District Mothers are defined as "Smoking" at the point of delivery (2020/21 Smoking Status at time of delivery). This value is worse than the England value of 9.6%. Smoking during pregnancy presents a number of risks to the developing baby and increases the risk of sudden infant death syndrome and stillbirth, it is also associated with low birth weight. In Sevenoaks District we can see the ranging prevalence of low birth weight (2015-19) from 2.6% in Leigh and Chiddingstone Causeway to 7% in Sevenoaks Kippington and Edenbridge South and West.

Modelled estimates from 2014 highlight that smoking prevalence for young people (aged 15) varies from 3.9% in Swanley St Mary's to 8.8% in Leigh and Chiddingstone Causeway.

Alcohol consumption

Hospital Episode Statistics used by Public Health England highlight that 24.8 (per 100,000) hospital admissions for under 18's (2017/18-2019/20) for alcohol specific conditions. This is similar to the England value of 30.7 (per 100,000). It is illegal for under 18's to purchase or be bought alcohol (unless accompanied by an adult as part of a table meal). Further work may be needed to ascertain what factors are contributing towards these hospital admissions. Alcohol consumption for under 18's can have a harmful effect on the normal development of vital organs and functions, including the brain, liver, bones and hormones, in addition to being associated with increased risks from violence, drug use, suicidal ideation and unplanned pregnancy. Further intervention maybe necessary to try to prevent the purchase of alcohol for under 18's in Sevenoaks District by working directly with the purveyors of alcohol in the District.

Poverty

Child Poverty, Income deprivation affecting children index (IDACI, 2019) shows us the variance that exists within the district between different wards in Sevenoaks. The England equivalent value is 17.1% of children are affected y income deprivation, in Sevenoaks District; Edenbridge South and West (17.1%), Swanley White Oak (28.6%) and Swanley St Mary's (32%) are equivalent to or higher than the England equivalent value.

Targeted work with Children and Young people in these areas should be pursued in order to ensure that they are able to achieve equivalent opportunities for development as other young people in Sevenoaks District despite the financial challenges they experience everyday.

Conclusions

A healthy start in life may be influenced by a wide variety of factors (many beyond the data we have available to display above). From the above data we have been able to demonstrate the variance in health outcomes that exists based on where someone is born or lives.

A targeted approach to health improvement in areas of greatest need combined with an appreciation of the wider determinant needs of the individual may be an effective approach to improving health outcomes at those most at risk and ensuring all Sevenoaks residents an equitable start to life.

Living Well

20-64 year olds represent around 54% of the Sevenoaks District Council population. As we age, our risk of developing health conditions increases, these may include (but not limited to); cardiovascular disease, stroke, high blood pressure, cancer, type 2 diabetes and Chronic Obstructive

Pulmonary Disease (COPD). However, many of these conditions are preventable (or at the very least, delay-able), enabling our residents to live their healthiest lifestyle is crucial to this Health and Wellbeing Action Plan and as a result the data presented below will look at Health Behaviour and its impact on Health Conditions.

Premature Mortality

The Kent Public Health Observatory allows us to view the premature (all causes) mortality rate (per 100,000 population) of under 75 year olds when compared with the rest of Kent (2015-2017). As previously identified, we can see that the rate is not consistent in the Sevenoaks District with 100.73 persons per 100,000 in Penshurst, Fordcombe and Chiddingstone and 385.14 per 100,000 in Swanley White Oak. This perhaps contributes towards the variance in life expectancy we noted previously in the “Starting Well” section.

We can also view premature mortality by causative disease:

- Premature mortality from cardiovascular disease of under 75 year olds when compared with the rest of Kent (2013-2017)
 - 17.58 (per 100,000) in Sevenoaks Kippington
 - 122.47 (per 100,000) in Swanley White Oak
- Premature mortality from cancer of under 75 year olds when compared with the rest of Kent (2013-2017)
 - 42.66 (per 100,000) in Penshurst, Fordcombe & Chiddingstone
 - 149.17 (per 100,000) in Crockenham and Well Hill

Smoking

Smoking prevalence in adults (aged 15+) is on a year on year decline in Sevenoaks and currently stands at 12.6% (NHS Digital 2019/20) which is better than the England value of 16.5%. However, we can still see higher prevalence in certain populations. In routine and manual occupations (ages 18-64) we can see a current smoking population of 15.1% (Annual Population Survey 2019) which is statistically similar to the England value.

Smoking is recognised to have a causative role in a wide number of health conditions, some of which are demonstrated below.

Smoking related mortality from:

- Lung Cancer (2017-19) 43.5 (per 100,000) which is better than the England value of 53 (per 100,000)
- Oral Cancer (2017-19) 2.8 (per 100,000) which is equal to the England value of 4.7 (per 100,000)
- COPD (2017-19) 38.4 (per 100,000) which is better than the England value of 50.4 (per 100,000)

Smoking related ill-health from:

- Emergency hospital admissions for COPD (2019-20) 327 (per 100,000) which is better than the England value of 415 (per 100,000)

- Lung Cancer registrations (2016-18) 59 (per 100,000) which is better than the England value of 77.9 (per 100,000)
- Oral Cancer registrations (2016-18) 12.3 (per 100,000) which is equivalent to the England value of 15 (per 100,000)
- Oesophageal cancer registrations (2016-18) 14.2 (per 100,000) which is equivalent to the England value of 15.4 (per 100,000)

With smoking prevalence decreasing, we can see the medical impact of smoking decreasing. Continued work in Smoking Cessation is needed to help facilitate a further reduction in Smoking within the Sevenoaks District perhaps with specific targets around higher prevalence populations.

Alcohol

Less than 14 units a week is generally considered to be low-risk drinking, however there is no “safe” level of alcohol consumption. Regularly drinking more than 14 units per week can lead to the development of many illnesses including; certain cancers, stroke, heart disease, liver disease, brain damage etc.

Hospital Episode Statistics used by Public Health England highlight that 479 (per 100,000) hospital admissions (2018-2019) for alcohol specific conditions. This is better than the England value of 664 (per 100,000).

Weight & Physical Inactivity

62.6% of Sevenoaks adults (18+) are classified as overweight or obese (PHE, 2019/20). This is similar to the England score of 62.8%. Living with excess weight is caused by consuming more calories, particularly those in fatty or sugary foods, than your body requires. Obesity causes physical changes and can lead to a number of serious and life-threatening medical conditions, including; type 2 diabetes, coronary heart disease, some types of cancer and stroke (among many others, we now also understand the increased risk of COVID19 for people with a higher weight).

Being physically active increases the amount of calories our bodies need, so alongside a healthy balanced diet, is an effective way of creating a calorie deficit to promote weight loss. Additionally being physically active can also lower our risk of many health conditions, including (but not limited to); diabetes, coronary heart disease, osteoarthritis, depression and dementia. The Active Lives Survey (2019/20) highlights that 70.1% of Sevenoaks adults are physically active (achieving at least 150 minutes of moderate intensity activity per week). This is statistically similar to the England score of 66.4% of adults.

Prevalence of medical conditions related to alcohol, weight and physical inactivity

There is significant overlap in the health conditions that result from higher risk alcohol consumption, living with excess weight and physical inactivity. Conditions have been grouped and presented below.

Heart Health

- Emergency hospital admissions from Cardiovascular Disease (2015/16-2017/18) range in Sevenoaks District from 429.12 (per 100,000) in Brasted, Chevening and Sundridge to 1077.65 (per 100,000) in Swanley Christchurch and Swanley Village.
- Coronary Heart Disease Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 2.05% in Sevenoaks Eastern to 4.18% in Swanley St Mary's.
- Hospital admissions for Coronary Heart Disease (2015/16-2017/18) ranges in Sevenoaks District from 145.36 (per 100,000) in Sevenoaks Eastern to 472.1 (per 100,000) in Ash.
- Recorded Heart Failure prevalence (2015/16-2017/18) ranges in Sevenoaks District from 0.54% in Sevenoaks Eastern to 1.04% in Swanley St Mary's.
- Emergency hospital admissions for myocardial infarction (2013/14-2017/18) ranges in Sevenoaks District from 31.33 (per 100,000) in Sevenoaks Eastern to 145.92 (per 100,000) in Fawkham and West Kingsdown.

Stroke & Transient Ischaemic Attack (TIA)

- Stroke & TIA Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 1.52% in Sevenoaks Eastern to 2.34% in Swanley St Mary's.
- Hospital admissions for Stroke (2013/14-2017/18) ranges in Sevenoaks District from 47.6 (per 100,000) in Seal and Weald to 211.93 (per 100,000) in Eynsford.

Diabetes

- Diabetes Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 4.61% in Sevenoaks Eastern to 8.35% in Swanley St Mary's.
- Hospital admissions for Diabetes (2013/14-2017/18) ranges in Sevenoaks District from 30.31 (per 100,000) in Kemsing to 120.98 (per 100,000) in Hextable.
- The Diabetes diagnoses rate is 68.1% of those anticipated to have Diabetes (2018). This is below the England value of 78% and actions should be taken to improve the diabetes diagnoses rate in Sevenoaks District.

Hypertension (High Blood Pressure)

- Hypertension Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 11.96% in Sevenoaks Eastern to 19.5% in Swanley St Mary's.

Cancer (excluding non-melanoma skin cancer)

- Cancer Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 2.58% in Sevenoaks Northern to 3.72% in Halstead, Knockholt and Badgers Mount.

Mental Health

It is believed that one in four adults and one in 10 children experience mental illness. Conditions can range from common (anxiety, depression) to more serious mental health conditions (psychoses, schizophrenia, bipolar affective disorder). In the Sevenoaks District we can see a slight change in the prevalence of serious mental health conditions, this ranges from 0.52% in Kemsing to 0.82% in Swanley St Mary's.

With respect to hospital admissions for mental health conditions (2013/14-2017/18) we can also see a range of prevalence depending on the location in Sevenoaks District, from 97.84 (per 100,000) in Otford and Shoreham to 256.64 (per 100,000) in Swanley St Mary's.

Hospital Episode Statistics (2019/20) highlight a rate of 187.5 (per 100,000) in Sevenoaks District for emergency hospital admissions for intentional self-harm. This is statistically similar to the England value of 192.6 (per 100,000).

Lastly, the Office of National Statistics (2017-19) highlight a rate of 6.8 per 100,000 for suicide. This is statistically similar to the England rate of 10.1 per 100,000.

Sevenoaks District Council's Mental Health Strategy (2021) focuses of five priorities:

1. More people will have good mental health
2. More people with mental health problems will have good physical health
3. More people will have a positive experience of care and support
4. Fewer people will suffer avoidable harm
5. Fewer people will experience stigma and discrimination

The actions outlined within this action plan will aim to support the priorities outlined within the Mental Health Strategy (2021)

Cancer Screening

KPHO also provides information on the Cancer screening rate respective of the different wards in Sevenoaks District. Once again, we can see variance in the uptake rates dependent on where the client resides in Sevenoaks:

- Bowel Cancer Screening (aged 60-74) of those screening within the last 30 months (2014/15-2016/17). Swanley St Mary's has a screening rate of 56.75% whereas Eynsford has a screening rate of 64.73%
- Breast Cancer Screening (aged 50-74) of those screening within the last 36 months (2014/15-2016/17). Sevenoaks Kippington has a screening rate of 70.36% whereas Eynsford has a screening rate of 78.48%

- Cervical Cancer Screening (aged 25-64) of those screening between 2014/15 – 2016/17. Swanley St Mary's has a screening rate of 75.72% whereas Eynsford has a screening rate of 84.34%

Poverty

Statistics from DWP (2020) helps us to identify which wards in Sevenoaks District are more likely to have residents in receipt of Universal Credit. The average for Sevenoaks District in 2016 was 1.9%. Focusing our attention on those with above average rates, we can identify the following areas:

- Swanley St Mary's (6.5%)
- Swanley White Oak (5%)
- Swanley Christchurch and Swanley Village (2.4%)
- Crockenhill and Well Hill (2.3%)
- Fawkham and West Kingsdown (2.3%)
- Farningham, Horton Kirby and South Darenth (2.2%)
- Edenbridge South and West (2.1%)
- Hextable (2%)
- Otford and Shoreham (2%)

It is estimated that residents of Penshurst, Fordcombe and Chiddingstone (12.4%) and Cowden and Hever (12.6%) are more likely than the England average (10.3%) to experience fuel poverty (PHE, 2018). Residents in Swanley St Mary's (3.4%) are more likely than the England average (2.8%) to be unemployed and claiming out of work benefit and 3.4 (per 1000) residents of Leigh and Chiddingstone Causeway are likely to be in long-term unemployment, which is more than the equivalent England rate (3.2 per 1000) (PHE 2019/20).

Conclusions

In this section, we highlighted the prevalence of certain health conditions within the Sevenoaks District and further highlighted the differences that exist in health outcomes between Sevenoaks residents depending on where they live. The health conditions highlighted are (for the majority) preventable through the adoption of positive health behaviours, which is demonstrated by the year on year reduction in Smoking with the reduction in the prevalence of associated conditions.

Actions should focus on maintaining support services that support the adoption of good health behaviours in addition to targeting services at the areas of highest need.

Ageing Well

People in England can now expect to live longer than ever before, but unfortunately, these additional years might not be spent in good health with many developing medical conditions that will affect quality of life. Sevenoaks is an ageing District, according to Kent County Council the number of people aged 65+ is forecast to rise by 14.76% by 2030. As such, supporting and enabling our older residents to stay fit and healthy is a major priority for Sevenoaks District.

There are some medical conditions that are more prevalent in the older generation, these include; dementia, fall related hip fracture and winter death associated to poorly maintained, colder homes. With the anticipated population rise, it is important the Sevenoaks District is vigilant to the needs of our older residents and provides services that can address this potentially growing problem.

Life Expectancy at 65

2013-2017 data on Life Expectancy at 65 follows a similar trend to that noted in previous sections. A resident can expect to live for different amount of years depending on where they live. For males, this ranges from an additional 17.28 years in Swanley White Oak to 22.86 years in Halstead, Knockholt and Badgers Mount. For females, this ranges from an additional 19.98 years in Farningham, Horton Kirby and South Darenth to 27.95 years in Seal and Weald. The factors surrounding this may have been already identified in our “Living Well” section where we see higher rates of life limiting medical conditions caused by the uptake of negative health behaviours.

Causes of mortality 65+

The Kent Public Health Observatory allows us to view the premature (all causes) mortality rate (per 100,000 population) of over 65 year olds when compared with the rest of Kent (2015-2017). As previously identified, we can see that the rate is not consistent in the Sevenoaks District with 2480.7 persons per 100,000 in Halstead, Knockholt and Badgers Mount and 4946.02 per 100,000 in Sevenoaks Northern.

We can also view premature mortality by causative disease:

- Premature mortality from cardiovascular disease of over 65 year olds when compared with the rest of Kent (2013-2017)
 - 81.46 (per 100,000) in Brasted, Cheving and Sundridge
 - 1702.73 (per 100,000) in Sevenoaks Northern
- Premature mortality from cancer of over 65 year olds when compared with the rest of Kent (2015-2017)
 - 429.62 (per 100,000) in Penshurst, Fordcombe & Chiddingstone
 - 1385.62 (per 100,000) in Hartley and Hodsell Street
- Premature mortality from respiratory disease of over 65 year olds when compared with the rest of Kent (2013-2017)
 - 243.5 (per 100,000) in Seal and Weald
 - 901.29 (per 100,000) in Leigh and Chiddingstone Causeway

Dementia

Dementia is syndrome associated with an ongoing decline in cognitive functioning. This can include problems with; memory, understanding, mood, movement, language (amongst others).

The recorded prevalence of Dementia (2015/16-2017/18) shows some variance depending on where people live, from 0.59% in Cowden and Hever to 1% in Dunton Green and Riverhead. Unfortunately, Sevenoaks District is performing worse when compared to England for Dementia diagnosis rate of 65+ residents (2021), with the Sevenoaks percentage diagnosis at 57.6% and the England percentage diagnosis at 61.6%.

Actions must be made to improve the diagnosis rate of dementia for Sevenoaks District residents where possible to support treatment for this condition as early as possible.

Falls Prevention

For older residents, the impact of a fall can be life changing. Older people are at an increased risk of having a fall due to; balance problems and muscle weakness, vision loss, other health conditions (heart disease, dementia or low blood pressure). In Sevenoaks District, 584 65+ residents (per 100,000) had a hip fracture (2019/20). This is statistically similar to the England rate of 572 (per 100,000).

Emergency hospital admission due to falls in people aged 65+ (2015/16-2017/18) varies from 1497.98 (per 100,000) in Seal and Weald to 3408.76 (per 100,000) in Crockenhill and Well Hill.

Emergency hospital admission due to hip fracture in people aged 65+ (2013/14-2017/18) varies from 310.22 (per 100,000) in Seal and Weald to 971.54 (per 100,000) in Hextable.

The prevention of falls and subsequent injury caused by the fall is an important action for Sevenoaks District considering the growing older population. This could take the form of supporting the physical stability of our residents or changing the landscape of Sevenoaks District to limit the risk of falls.

Excess winter deaths

This rate indicates the amount of deaths that occur during the winter that would not have been usually expected throughout the course of the year. They are generally associated with the reduced temperature and our older residents who are more adversely affected by fuel poverty and medical conditions that result from lower temperatures.

In Sevenoaks District, we can see a rate of 15% (ONS, 2018-19) which is statistically similar to the England rate of 15.1%. With a growing older population it will become increasingly important to make sure our older Sevenoaks residents are able to stay well each winter and have the resources they need to keep a warm, safe home.

Poverty

The older people in poverty: Income deprivation affecting older people index (IDAOP, 2019) highlights the differences that exist between wards in Sevenoaks District from Halstead, Knockholt and Badgers Mount (4.1%) and Swanley St Mary's (15.4%). Swanley White Oak and Swanley St Mary's represent the only two wards where residents are at greater risk of income deprivation by comparison to the England average.

Conclusions

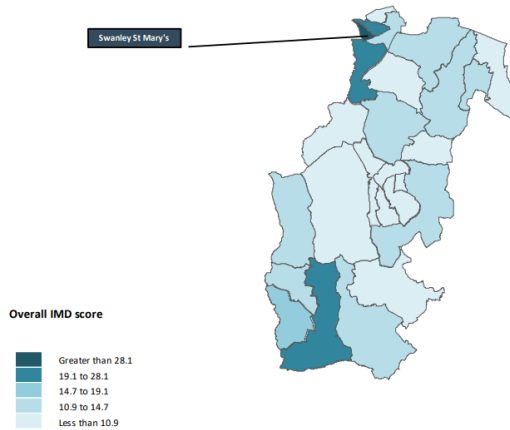
With a growing older population, it will be increasingly important that Sevenoaks District is ensuring an adequate provision of services to meet the needs of our older residents. In accordance with the Council Plan, we want to ensure that Sevenoaks residents are supported to live independently for as long as possible. Preventing falls, promoting sociability and physical activity, ensuring residents homes are suitable for their needs and improving the diagnoses rate of dementia are just some of the actions that could be taken to help our older residents to age well.

Health Inequalities

“Health inequalities are unfair and avoidable differences in health across the population, and between different groups within society. Health inequalities arise because of the conditions in which we are born, live, work and age. These conditions influence our opportunities for good health, and how we think, feel and act, and this shapes our mental health, physical health and wellbeing” NHS England.

As we have already noted there is a 9-year age gap in the life expectancy of males and females living in different wards in Sevenoaks. It is believed that the deprivation of an area could have a major contributing impact on the health outcomes of residents.

Index of Multiple Deprivation (IMD): by electoral ward
Overall IMD score, population weighted quintile, 2019



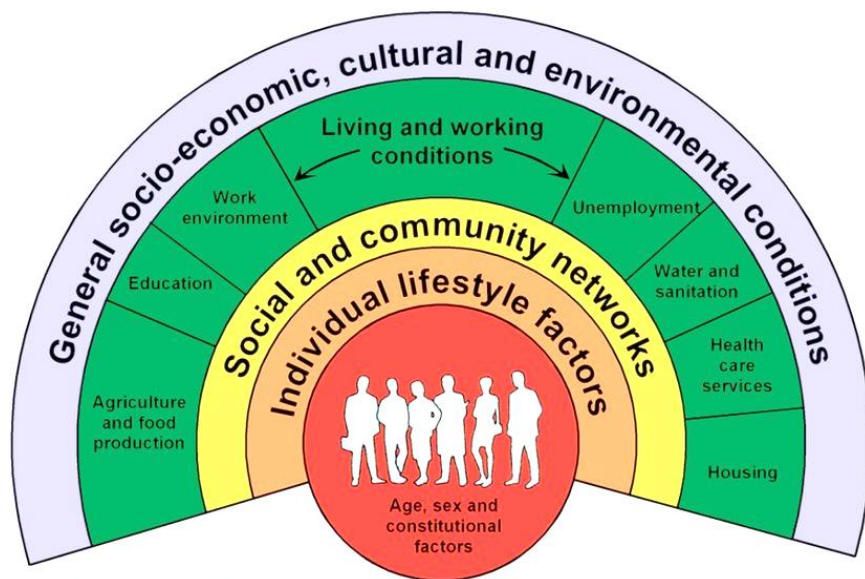
Source: DCLG, prepared by KPHO (MP), Oct-19

In the map above, we see Swanley St Mary’s, Swanley White Oak, Crockenhill and Well Hill and Cowden and Hever highlighted as the more deprived regions of Sevenoaks District.

Throughout this Action Plan, we have identified many differences between different wards in Sevenoaks in relation to the likelihood of living with certain health conditions or even succumbing to premature mortality. Whilst no causal link with deprivation is evident, there are certainly trends that demonstrate that our residents living in areas of deprivation or within target groups will be more at risk of poorer health outcomes and negative health behaviours than less deprived areas.

Wider Determinants of Health

It is now widely recognised that our health is determined by a much wider range of factors other than just health care. These include how and if people can access employment, social, housing and other environmental factors of where they live.



Source: Dahlgren and Whitehead, 1991

It is important to reiterate that wellbeing “runs through everything we do...”.

Sevenoaks District Council provides a range of services that support and address the “Wider Determinants of Health” for our residents on a daily basis.

It is hoped that this Action Plan can contribute towards improvements in the Health and Wellbeing of all Sevenoaks residents whilst supporting a reduction in Health Inequalities that exist within the District. We must not forget the importance of identifying and addressing wider determinants of health which may stand in the way of the health and wellbeing of Sevenoaks residents.

Objectives and Actions

Our objectives follow the same themes identified above; Starting Well, Living Well, Ageing Well. Our subsequent actions are led primarily from the data presented in this action plan. The Sevenoaks District Health Action Team will be made up of representatives of organisations that:

- Support Sevenoaks residents.
- Can contribute to the achievement of the actions outlined in this action plan.

Through the partnership work of the Health Action Team, we might identify gaps in service provision or gain additional insight on the needs of Sevenoaks District residents. The Health Action Team will work in partnership to address these gaps and respond to these needs.

Ref	2022-23 Priority Action	Lead Agency	Other Partners
Starting Well Actions			
SW1	Support a reduction in obesity and excess weight in children	KCHFT School Health Team	
SW2	Enable Sevenoaks District Mothers to maintain breastfeeding for the first 6 months of their child's life	KCHFT Health Visiting Service	
SW3	Support a smokefree home for Sevenoaks residents and enable more Sevenoaks Mothers to quit smoking during pregnancy	KCHFT Smoking Cessation Service	
SW4	Prevent the illegal consumption of alcohol in under 18's and subsequent hospital admissions resulting from excessive alcohol consumption	Kenward Trust	Sevenoaks District Council Licensing Team
SW5	Support Sevenoaks children and young people to adopt healthy lifestyle choices.	KCHFT School Health Team	
Living Well Actions			
LW1	Continue to provide services that contribute towards the reduction of smoking in Sevenoaks District with particular targeting for at-risk groups.	KCHFT Smoking Cessation Service	
LW2	Improve the diagnosis rate of Diabetes for Sevenoaks residents	KCHFT NHS Health Check Service	
LW3	Encourage more Sevenoaks residents to consume alcohol within lower risk levels and limit hospital admissions for alcohol specific conditions	Change, Grow, Live	Sevenoaks District Council Health Team KCHFT One You Team
LW4	Support Sevenoaks adults to adopt healthy lifestyle choices that facilitate weight loss and increases in physical activity	Sevenoaks District Council Health Team	Sencio Everyone Active
LW5	Adapt the physical design of Sevenoaks District so that healthy lifestyle choices become a routine part of residents lives	Sevenoaks District Council Planning Team	Sevenoaks District Council Health Team
LW6	Provide adapted health improvement services targeted at specific populations (where needed) to ensure all residents can benefit from good physical health	Involve Kent	Sencio Everyone Active

LW7	Encourage Sevenoaks District businesses and organisations to consider the Health and Wellbeing of their organisation and employees	Kent & Medway Healthy Workplaces Programme	Sevenoaks District Council Health Team
LW8	Promote Cancer Screening initiatives to encourage more residents to take up Cancer screening when eligible.	All Organisations	
Ageing Well Actions			
AW1	Improve the diagnosis rate of dementia in the district	Unknown at this stage	
AW2	Provide specialist services targeted at improving the quality of life of residents affected by dementia	Sevenoaks Area Dementia Friendly Community & Swanley Area Dementia Friendly Community	
AW3	Work with older residents to prevent falls and limit the potential for hip fracture in older residents	Involve Kent, West Kent Falls Prevention Service & Virgin Care Falls Team	Age UK Sevenoaks & Tonbridge Sevenoaks District Health Team Sencio Everyone Active
AW4	Ensure residents can receive support to stay safe, healthy and independent in their own homes for as long as possible	Sevenoaks District Council Private Sector Housing Team	
AW5	Promote the importance of staying well at winter in older populations	Sevenoaks District Council Health Team	All Public Supporting Organisations
All Life Courses			
ALL1	Target services towards areas and residents of greatest need without preventing all residents from accessing support.	All Organisations delivering client centred services	
ALL2	Enable more professionals to have conversations with residents on health and wellbeing	Kent County Council - MECC	
ALL3	Ensure non-digital advertising is employed to promote services to those residents with limited digital access.	All Organisations delivering client centred services	
ALL4	Support the reduction of wider determinants of health that can have a negative impact on resident's mental health.	Imago Community and Involve Kent	
ALL6	Encourage more client-facing organisations to engage in Mental Health Awareness and Mental Health First Aid training	West Kent Mind & North Kent Mind	

If you are supporting Sevenoaks residents and feel you could support in the achievement of our actions then we would welcome hearing from you and welcoming you to the Health Action Team, please contact Sevenoaks District Council via; healthy.living@sevenoaks.gov.uk

Membership of the Health Action Team 2022-23 and contact details

Sevenoaks District Council Argyle Road, Sevenoaks, Kent, TN13 1GP	Age UK Sevenoaks & Tonbridge The Old Meeting House, St John's Road	Change, Grow, Live Tel: 0330 128 1113
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<p>Tel: 01732 227000 Web: www.sevenoaks.gov.uk</p>	<p>Sevenoaks, TN13 3LR Tel: 01732 454108 Web: https://www.ageuk.org.uk/sevenoaksandtonbridge/</p>	<p>Web: https://www.changegrowlive.org/westkent</p>
<p>Everyone Active Web: https://www.everyoneactive.com/</p>	<p>Involve Kent 30 Turkey Court, Ashford Road, Maidstone, ME14 5PP Tel: 03000 810005 Web: https://www.involvekent.org.uk/</p>	<p>Imago Community John Spare House, 17-19 Monson Road, Tunbridge Wells, Kent, TN1 1LS Tel: 01892 530330 Web: https://www.imago.community/</p>
<p>Kent Community Health Foundation Trust (KCHFT) Web: https://www.kentcht.nhs.uk/</p>	<p>Kent County Council County Hall, Maidstone, ME14 1XQ Tel: 0300 041 4141 Web: https://www.kent.gov.uk/</p>	<p>Kent & Medway Healthy Workplaces Programme Gun Wharf, Dock Road, Chatham, ME4 4TR Tel: 01634 334 307</p>
<p>Kenward Trust Kenward Road, Yalding, Kent, ME18 6AH Tel: 01622 814187 Web: https://www.kenwardtrust.org.uk/</p>	<p>North Kent Mind The Almshouses, 20 West Hill, Dartford, DA1 2EP Tel: 01322 291380 Web: https://northkentmind.co.uk/</p>	<p>Sencio Buckhurst Lane, Sevenoaks, Kent, TN13 1LW Web: https://www.sencio.org.uk/</p>
<p>Sevenoaks Area Dementia Friendly Community Argyle Road, Sevenoaks, Kent, TN13 1GP Tel: 01732 447055</p>	<p>Swanley Area Dementia Friendly Community</p>	<p>Virgin Care Falls Team Gravesend Community Hospital, Bath Street, Gravesend, DA11 0DG</p>
<p>West Kent Falls Prevention Coxheath Centre, Coxheath, ME17 4AH</p>		

Enquiries to:

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Item 09 - Sevenoaks District Action Plan

The attached report was considered by the Housing & Health Advisory Committee on 17 January 2022. The relevant Minute extract is below.

Housing & Health Advisory Committee (17 January 2022, Minute 42)

The Health and Communities Manager and the Health Team Leader presented the report which set out the Action Plan which collated the available data on health and wellbeing and used this data to target specific actions aimed to improve the health and wellbeing of Sevenoaks District residents. This Action Plan would determine focus, attendees and multi-agency partnership work undertaken in the district.

Members discussed the report.

In response to questions it was explained that the predicted increase in residents over 65 would contribute to a decrease in working age residents but an increase in available housing as populaces looked to downsize. The Committee congratulated the team for their hard work and co-ordination on this project.

Public Sector Equality Duty

Members gave consideration to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that the Health and Wellbeing Plan for 2022/23 be approved.

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SEVENOAKS DISTRICT HEALTH & WELLBEING ACTION PLAN DRAFT 2022/23

Cabinet - 10 February 2022

Report of: Sarah Robson, Deputy Chief Executive and Chief Officer, People & Places

Status: For Approval

Also considered by:

- Housing & Health Advisory Committee - 17 January 2022

Key Decision: Yes

Executive Summary: The Health and Wellbeing Action Plan collates the available data on health and wellbeing and uses this data to target specific actions aimed to improve the health and wellbeing of Sevenoaks District residents.

To achieve the actions, we pull together the Health Action Team, made up of ourselves and partner organisations who work directly on the achievement of these actions. Through partnership work we aim to improve and develop new services that impact on the Health and Wellbeing of Sevenoaks residents.

This report supports the Key Aim of: Improving the Health and Wellbeing of Sevenoaks District residents.

Portfolio Holder: Cllr. Kevin Maskall

Contact Officer(s): Kelly Webb x7474 & Daniel McDermott x7121

Recommendation to Health & Housing Advisory Committee:

That members approve the plan

Recommendation to Cabinet:

That the Health & Wellbeing Action Plan for 2022/23 is approved.

Reason for Recommendation:

This Action Plan will determine focus, attendees and multi-agency partnership work undertaken in the District to improve the Health & Wellbeing of Sevenoaks District residents.

Agenda Item 9

Introduction and Background

1. The report aims to present the draft 2022/23 Health & Wellbeing Action Plan for approval prior to presentation at Cabinet.
2. The Health and Wellbeing Action Plan compiles a wide variety of health data to provide an overview of Health and Wellbeing in Sevenoaks.
3. The data presented is used to inform the actions outlined by the Action Plan.
4. The Health Action Team is formed from organisations and services that have a direct role to play in the achievement of the actions outlined in the Action Plan. The performance of the actions is appraised on a quarterly basis to ensure that actions are being worked towards.
5. It is the role of the Health Action Team to provide; an opportunity for networking, an opportunity to better understand resident need and service gaps and an opportunity to work in partnership to address gaps through partnership working.
6. The draft 2022/23 Sevenoaks District Health & Wellbeing Action Plan is attached in Appendix A.

Key Implications

Financial

7. All services are delivered through organisations budgets

Legal Implications and Risk Assessment Statement

8. There are no legal issues for the District Council arising from this action plan.

Equality Assessment

9. 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 Health & Wellbeing Action Plan directly impact on end users. The impact has been analysed and varies between groups of people. The results of this analysis are set out immediately below.

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 Health & Wellbeing Action Plan aims to ensure there are services to meet the needs of all Sevenoaks District residents and ensure an equality of access.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	The Health & Wellbeing Action Plan addresses issues that affect the whole community including specific groups, such as older people, families, young people and people with disabilities.
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No negative impacts identified

Conclusions

10. The Health & Wellbeing Action Plan has been prepared following an extensive review of the all available and accessible Health & Wellbeing data. Through the Health Action Team we aim to provide a multi-agency approach to address the actions targeted.

Appendices

Appendix A - draft Health & Wellbeing Action Plan 2022/23

Sarah Robson

Deputy Chief Executive & Chief Officer People & Places

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Sevenoaks District Health & Wellbeing Action Plan

1 April 2022 – 31 March 2023

Sevenoaks District Health and Wellbeing Action Plan 2022-23

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Introduction: A health and wellbeing strategy for Sevenoaks District

This Health and Wellbeing Action plan aims to address the health focused priorities and actions outlined within the Sevenoaks District Community Plan (2022-25).

As outlined within the Sevenoaks Council Plan, wellbeing “runs through everything we do...”. “Wellbeing” is a unifying factor that underpins all the work we do for our residents. Sevenoaks District Council aims to improve our residents “quality of life” and we aim to achieve this through:

- Providing suitable homes for people to live in.
- Ensuring that Sevenoaks remains a safe and healthy environment to live in.
- Supporting the local economy so we have access to the jobs and services we need.
- Enabling residents to make healthy lifestyle choices and access healthy lifestyle opportunities.
- Supporting residents to live independently for as long as possible.

This Health & Wellbeing Action Plan will build upon the previous Sevenoaks District Health Inequalities Action Plan (2021-22). The actions raised in this Action Plan aim to take a life-course approach (Starting Well, Living Well, Ageing Well) and to be responsive to the Health Intelligence data we have from a number of different sources.

Sevenoaks District Profile

Unless otherwise referenced, the information listed below was sourced from the Kent Public Health Observatory or the Kent County Council District Profiles The information referenced below was sourced from the Kent County Council District Profiles (2021).

Population

According to the Office of National Statistics (2018 subnational population projections) Sevenoaks District has a population of 120,829. Using this data, we can see that Sevenoaks District population is expected to rise:

- 2025; 123,996 (2.6% increase)
- 2030; 125,818 (4.13% increase)
- 2035; 127,518 (5.54% increase)
- 2040; 129,442 (7.13% increase)

The data from the Office of National Statistics breaks down projected population growth by age group. This information forecasts demographics where we are most likely to see a growth in population;

Age Group	2019 Population	2025 Population		2030 Population		2035 Population		2040 Population	
		Number	% increase from 2019	Number	% increase from 2019	Number	% increase from 2019	Number	% increase from 2019
0-19	29,083	29,881	2.7%	29,303	0.75%	28,593	-1.69%	28,668	-1.43%
20-34	17,315	16,467	-4.9%	16,489	-4.77%	17,103	-1.23%	17,853	3.11%
35-49	23,834	24,644	3.4%	25,218	5.81%	25,054	5.12%	24,064	0.96%
50-64	24,553	25,276	2.9%	24,922	1.5%	24,879	1.33%	25,709	4.71%
65+	26,044	27,728	6.5%	29,887	14.76%	31,889	22.44%	33,149	27.28%
All Ages	120,829	123,996	2.6%	125,818	4.13%	127,518	5.54%	129,442	7.13%

As is evident from the table above, it is projected that, in the years to come, the population of Sevenoaks will increase, however it is in our older population that we will expect to see the greatest annual growth. With this information, it is important to ensure that we have services in Sevenoaks District which can cater to the needs of this growing population of older residents, but also that we are implementing health improvement services so that we can prevent the onset of ill-health in older populations for as long as possible.

Diversity

The 2011 Census data indicates that Sevenoaks District is relatively homogenous with 95.8% of the District being of a White ethnic background and 4.2% of the population being of a Black, Asian and Minority Ethnic (BAME) background. This varies between different wards in Sevenoaks District from 1.8% of the population of Cowden & Hever to 9.6% of the population of Swanley St Mary's (ONS, 2011). Across all households, the 2011 Census data indicates that 3.7% may have some residents who do not speak English as their main language, this is particularly noted in Brasted, Chevening and Sundridge (2%). It may therefore be important to be mindful of how we promote our health improvement services so we can ensure an equitable opportunity of access to these services.

Socio-Economic Status

The Kent County Council ward profiles make use of the Market Segmentation tool "Mosaic UK" which is produced by Experian Ltd (2014). Mosaic segments the UK population into 15 groups and 67 subtypes, which in turn gives an understanding of where certain "groups" of residents might live in the Sevenoaks District to help target resources. Each "group" is given a profile to define the likely experiences of the residents i.e.

- Group H are more likely to order fast food or cook ready prepared meals and therefore might be more at risk of a poor diet.
- Group J are some of the most disadvantaged people in the UK, more likely to spend money on alcohol and tobacco and find it difficult to get access to fresh food produce resulting in a poorer diet. They are also generally unfamiliar with IT and internet use is low.
- Group K are also more likely to spend money on alcohol, cigarettes and convenience foods and many do not have access to a personal computer.
- Group L also have difficulties accessing information through IT and instead rely on television or physical promotion sources (newspaper or leaflets) to access local services.
- Group N are more likely to include individuals who have recently migrated to the UK and therefore might be home to residents with whom English is not their first language and additional support may be required to access local support services.

This information is available on a ward basis, so we are able to see which areas are more likely to have high proportions of these residents;

Mosaic Group	Percentage Population in Sevenoaks District	Wards where population exceeds Sevenoaks District
Group H	8.2%	Ash (32.2%) Farningham, Horton Kirby and South Darenth (26.4%) Sevenoaks Northern (18.7%) Edenbridge North and East (17.9%) Edenbridge South and West (16.3%) Dunton Green and Riverhead (11.2%)

		Crockenhill and Well Hill (9.7%) Swanley White Oaks (8.9%) Kemsing (8.6%) Swanley Christchurch and Swanley Village (8.2%)
Group J	2.8%	Sevenoaks Town and St John's (18.9%) Sevenoaks Eastern (11.6%) Dunton Green and Riverhead (11%) Westerham and Crockham Hill (4.3%) Swanley St Mary's (3.8%)
Group K	1.8%	Swanley White Oak (10.7%) Swanley St Mary's (9.5%) Edenbridge South and West (7.8%) Edenbridge North and East (5.6%) Hextable (2.5%) Swanley Christchurch and Swanley Village (2.0%)
Group L	1.1%	Swanley White Oak (5.2%) Edenbridge North and East (4.1%) Swanley Christchurch and Swanley Village (2.7%) Edenbridge South and West (2.5%) Ash (1.8%) Farningham, Horton Kirby and South Darenth (1.8%) Sevenoaks Northern (1.3%) Westerham and Crockham Hill (1.2%) Kemsing (1.1%)
Group N	3.8%	Swanley White Oak (13.8%) Swanley St Mary's (10.2%) Farningham, Horton Kirby and South Darenth (9.4%) Eynsford (8.6%) Sevenoaks Town and St John's (7.4%) Edenbridge North and East (7.2%) Crockenhill and Well Hill (6.7%) Sevenoaks Eastern (6.3%) Hartley and Hodsell Street (3.9%)

Generally, we can see a clustering of residency surrounding our major population hubs of Edenbridge, Sevenoaks Town and Swanley with some stretch into additional areas surrounding the Northern part of the district, Kemsing and Westerham and Crockham Hill. Although universal digital health information is an ever-present for all, we have identified that some populations may have limited access to digital resources. The concept of “Progressive Universalism” (ensuring that at risk populations have additional support to create equity of health outcomes), examples of this with the above-identified geographies could include:

- The application of alternate forms of advertising (posters and leaflets) to residents who are at risk of digital poverty
- Ensuring that services are easily accessible to these residents
- Linking in with community organisations that directly support any of the above target groups.

Strategies like these aim to limit the barriers of those at the greatest risk without creating insurmountable barriers to everyone else in accessing services.

Deprivation

The Indices of Multiple Deprivation 2019 indicates that there are seven Lower Super Output Areas in Sevenoaks District that are ranked within the top 40% of Deprivation nationally, two of those are ranked within the top 20% of Deprivation nationally. We understand that residents living in the lowest areas of deprivation often have limited resources to manage life’s pressures and are therefore more at risk of ill health resulting from poor health behavioural choices. As with the socio-economic data previously presented, it is important to ensure that health improvement services are reaching and are accessible to our most at risk populations.

Sevenoaks Ward	LSOA Code	LSOA Name	Deprivation Score (deciles)
Swanley St Mary's	E01024476	Sevenoaks 002A	2
Swanley St Mary's	E01024477	Sevenoaks 002B	2
Swanley White Oak	E01024480	Sevenoaks 002D	3
Swanley White Oak	E01024482	Sevenoaks 002F	3
Swanley White Oak	E01024481	Sevenoaks 002E	4
Hartley and Hodsell Street	E01024444	Sevenoaks 004D	4
Edenbridge South and West	E01024429	Sevenoaks 014E	4

Starting Well

0-19 year olds represent around 24% of the Sevenoaks District Council population. Their health and wellbeing has an impact on everyone's future. Health and wellbeing of children and young people is the result of multiple factors including; household income, education, housing, family life and healthy environment. Below we try to give a broader understanding on the factors influencing the health of children and young people and those areas that might be more at risk of a poorer start to life.

Life Expectancy at Birth (2018-2020) Sevenoaks District

For Sevenoaks District the average life expectancy for males is 82.1 years, which is better than the England value of 79.4 years. For females, the average life expectancy is 84.2 years, which again is better than the England value of 83.1 years. There has been a slight reduction in life expectancy in Sevenoaks and England by comparison to previous data collected. However, this only tells a proportion of the story.

Life Expectancy at Birth (2015-2019)

For males, we can see a 8-year age gap dependant on where in Sevenoaks you are born, this is noted between Sevenoaks Northern (79.4 years) and Cowden and Hever (87.4 years). Sevenoaks Northern (79.4 years) is the only area in the Sevenoaks District where life expectancy in males is lower than the England value.

For Females, there is also a 9-year age gap noted between Swanley White Oak (81.3 years) and Seal and Weald (90.3 years). Farningham, Horton Kirby and South Darenth (82.8 years) is the only other area in Sevenoaks where the life expectancy in women is less than the England average.

Overweight and Obesity

The prevalence of overweight (including obesity) in Year 6 children are generally lower than the England average (28.9% in Sevenoaks and 35.2% in England, 2019/20). However when we take a closer look at Sevenoaks we can see the variance that exists across the District depending on where the child lives:

- Excess weight in reception year children (ages 4-5) 2017/18-2019/20; a 19.9% difference in percentage likelihood exists between Seal and Weald (10.5%) and Hextable (30.4%).
- Obesity in reception year children (ages 4-5) 2017/18-2019/20; a 12.9% difference in percentage likelihood exists between Sevenoaks Northern (5.3%) and Crockenhill and Well Hill (18.2%).
- Excess weight in year 6 children (2017/18-2019/20); a 25.6% difference in percentage likelihood exists between Otford and Shoreham (15.4%) and Swanley St Mary's (41%).
- Obesity in year 6 children (2017/18-2019/20); a 21.63% difference in percentage likelihood exists between Sevenoaks Town & St John's (5.9%) and Swanley St Mary's (25.6%)

Excess weight and obesity is a multifaceted problem with many causes. However, breastfeeding for up to 6 months of a baby's life has links with reduced levels of obesity and cardiovascular disease for infant (and mother). Across Sevenoaks District we can see a wide range in the uptake rate in breastfeeding at the new born visit (2016-2017), from Swanley White Oak (41.98%) to Penshurst, Fordcombe and Chiddingstone (84.71%). At the 6-8 week health visitor, check (2016-2017) the rate of breastfeeding decreases and we still see wide ranging disparity in uptake depending on where mother and infant live; Swanley St Mary's (23.81%) and Penshurst, Fordcombe and Chiddingstone (70%).

Solving the rise in obesity is a complex problem with many potential solutions; however perhaps one to investigate is around increasing the ability for our Sevenoaks District Mothers to sustain breastfeeding up to the recommended 6 months post birth. This should not however ignore the importance of other solutions such as; adapting the living environment to ensure there are more healthy food outlets for young people and ensuring there is education for young people and the local community on the importance of making healthy food choices.

Exposure to Tobacco

13.5% of Sevenoaks District Mothers are defined as "Smoking" at the point of delivery (2020/21 Smoking Status at time of delivery). This value is worse than the England value of 9.6%. Smoking during pregnancy presents a number of risks to the developing baby and increases the risk of sudden infant death syndrome and stillbirth, it is also associated with low birth weight. In Sevenoaks District we can see the ranging prevalence of low birth weight (2015-19) from 2.6% in Leigh and Chiddingstone Causeway to 7% in Sevenoaks Kippington and Edenbridge South and West.

Modelled estimates from 2014 highlight that smoking prevalence for young people (aged 15) varies from 3.9% in Swanley St Mary's to 8.8% in Leigh and Chiddingstone Causeway.

Alcohol consumption

Hospital Episode Statistics used by Public Health England highlight that 24.8 (per 100,000) hospital admissions for under 18's (2017/18-2019/20) for alcohol specific conditions. This is similar to the England value of 30.7 (per 100,000). It is illegal for under 18's to purchase or be bought alcohol (unless accompanied by an adult as part of a table meal). Further work may be needed to ascertain what factors are contributing towards these hospital admissions. Alcohol consumption for under 18's can have a harmful effect on the normal development of vital organs and functions, including the brain, liver, bones and hormones, in addition to being associated with increased risks from violence, drug use, suicidal ideation and unplanned pregnancy. Further intervention maybe necessary to try to prevent the purchase of alcohol for under 18's in Sevenoaks District by working directly with the purveyors of alcohol in the District.

Poverty

Child Poverty, Income deprivation affecting children index (IDACI, 2019) shows us the variance that exists within the district between different wards in Sevenoaks. The England equivalent value is 17.1% of children are affected y income deprivation, in Sevenoaks District; Edenbridge South and West (17.1%), Swanley White Oak (28.6%) and Swanley St Mary's (32%) are equivalent to or higher than the England equivalent value.

Targeted work with Children and Young people in these areas should be pursued in order to ensure that they are able to achieve equivalent opportunities for development as other young people in Sevenoaks District despite the financial challenges they experience everyday.

Conclusions

A healthy start in life may be influenced by a wide variety of factors (many beyond the data we have available to display above). From the above data we have been able to demonstrate the variance in health outcomes that exists based on where someone is born or lives.

A targeted approach to health improvement in areas of greatest need combined with an appreciation of the wider determinant needs of the individual may be an effective approach to improving health outcomes at those most at risk and ensuring all Sevenoaks residents an equitable start to life.

Living Well

20-64 year olds represent around 54% of the Sevenoaks District Council population. As we age, our risk of developing health conditions increases, these may include (but not limited to); cardiovascular disease, stroke, high blood pressure, cancer, type 2 diabetes and Chronic Obstructive

Pulmonary Disease (COPD). However, many of these conditions are preventable (or at the very least, delay-able), enabling our residents to live their healthiest lifestyle is crucial to this Health and Wellbeing Action Plan and as a result the data presented below will look at Health Behaviour and its impact on Health Conditions.

Premature Mortality

The Kent Public Health Observatory allows us to view the premature (all causes) mortality rate (per 100,000 population) of under 75 year olds when compared with the rest of Kent (2015-2017). As previously identified, we can see that the rate is not consistent in the Sevenoaks District with 100.73 persons per 100,000 in Penshurst, Fordcombe and Chiddingstone and 385.14 per 100,000 in Swanley White Oak. This perhaps contributes towards the variance in life expectancy we noted previously in the “Starting Well” section.

We can also view premature mortality by causative disease:

- Premature mortality from cardiovascular disease of under 75 year olds when compared with the rest of Kent (2013-2017)
 - 17.58 (per 100,000) in Sevenoaks Kippington
 - 122.47 (per 100,000) in Swanley White Oak
- Premature mortality from cancer of under 75 year olds when compared with the rest of Kent (2013-2017)
 - 42.66 (per 100,000) in Penshurst, Fordcombe & Chiddingstone
 - 149.17 (per 100,000) in Crockenham and Well Hill

Smoking

Smoking prevalence in adults (aged 15+) is on a year on year decline in Sevenoaks and currently stands at 12.6% (NHS Digital 2019/20) which is better than the England value of 16.5%. However, we can still see higher prevalence in certain populations. In routine and manual occupations (ages 18-64) we can see a current smoking population of 15.1% (Annual Population Survey 2019) which is statistically similar to the England value.

Smoking is recognised to have a causative role in a wide number of health conditions, some of which are demonstrated below.

Smoking related mortality from:

- Lung Cancer (2017-19) 43.5 (per 100,000) which is better than the England value of 53 (per 100,000)
- Oral Cancer (2017-19) 2.8 (per 100,000) which is equal to the England value of 4.7 (per 100,000)
- COPD (2017-19) 38.4 (per 100,000) which is better than the England value of 50.4 (per 100,000)

Smoking related ill-health from:

- Emergency hospital admissions for COPD (2019-20) 327 (per 100,000) which is better than the England value of 415 (per 100,000)

- Lung Cancer registrations (2016-18) 59 (per 100,000) which is better than the England value of 77.9 (per 100,000)
- Oral Cancer registrations (2016-18) 12.3 (per 100,000) which is equivalent to the England value of 15 (per 100,000)
- Oesophageal cancer registrations (2016-18) 14.2 (per 100,000) which is equivalent to the England value of 15.4 (per 100,000)

With smoking prevalence decreasing, we can see the medical impact of smoking decreasing. Continued work in Smoking Cessation is needed to help facilitate a further reduction in Smoking within the Sevenoaks District perhaps with specific targets around higher prevalence populations.

Alcohol

Less than 14 units a week is generally considered to be low-risk drinking, however there is no “safe” level of alcohol consumption. Regularly drinking more than 14 units per week can lead to the development of many illnesses including; certain cancers, stroke, heart disease, liver disease, brain damage etc.

Hospital Episode Statistics used by Public Health England highlight that 479 (per 100,000) hospital admissions (2018-2019) for alcohol specific conditions. This is better than the England value of 664 (per 100,000).

Weight & Physical Inactivity

62.6% of Sevenoaks adults (18+) are classified as overweight or obese (PHE, 2019/20). This is similar to the England score of 62.8%. Living with excess weight is caused by consuming more calories, particularly those in fatty or sugary foods, than your body requires. Obesity causes physical changes and can lead to a number of serious and life-threatening medical conditions, including; type 2 diabetes, coronary heart disease, some types of cancer and stroke (among many others, we now also understand the increased risk of COVID19 for people with a higher weight).

Being physically active increases the amount of calories our bodies need, so alongside a healthy balanced diet, is an effective way of creating a calorie deficit to promote weight loss. Additionally being physically active can also lower our risk of many health conditions, including (but not limited to); diabetes, coronary heart disease, osteoarthritis, depression and dementia. The Active Lives Survey (2019/20) highlights that 70.1% of Sevenoaks adults are physically active (achieving at least 150 minutes of moderate intensity activity per week). This is statistically similar to the England score of 66.4% of adults.

Prevalence of medical conditions related to alcohol, weight and physical inactivity

There is significant overlap in the health conditions that result from higher risk alcohol consumption, living with excess weight and physical inactivity. Conditions have been grouped and presented below.

Heart Health

- Emergency hospital admissions from Cardiovascular Disease (2015/16-2017/18) range in Sevenoaks District from 429.12 (per 100,000) in Brasted, Chevening and Sundridge to 1077.65 (per 100,000) in Swanley Christchurch and Swanley Village.
- Coronary Heart Disease Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 2.05% in Sevenoaks Eastern to 4.18% in Swanley St Mary's.
- Hospital admissions for Coronary Heart Disease (2015/16-2017/18) ranges in Sevenoaks District from 145.36 (per 100,000) in Sevenoaks Eastern to 472.1 (per 100,000) in Ash.
- Recorded Heart Failure prevalence (2015/16-2017/18) ranges in Sevenoaks District from 0.54% in Sevenoaks Eastern to 1.04% in Swanley St Mary's.
- Emergency hospital admissions for myocardial infarction (2013/14-2017/18) ranges in Sevenoaks District from 31.33 (per 100,000) in Sevenoaks Eastern to 145.92 (per 100,000) in Fawkham and West Kingsdown.

Stroke & Transient Ischaemic Attack (TIA)

- Stroke & TIA Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 1.52% in Sevenoaks Eastern to 2.34% in Swanley St Mary's.
- Hospital admissions for Stroke (2013/14-2017/18) ranges in Sevenoaks District from 47.6 (per 100,000) in Seal and Weald to 211.93 (per 100,000) in Eynsford.

Diabetes

- Diabetes Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 4.61% in Sevenoaks Eastern to 8.35% in Swanley St Mary's.
- Hospital admissions for Diabetes (2013/14-2017/18) ranges in Sevenoaks District from 30.31 (per 100,000) in Kemsing to 120.98 (per 100,000) in Hextable.
- The Diabetes diagnoses rate is 68.1% of those anticipated to have Diabetes (2018). This is below the England value of 78% and actions should be taken to improve the diabetes diagnoses rate in Sevenoaks District.

Hypertension (High Blood Pressure)

- Hypertension Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 11.96% in Sevenoaks Eastern to 19.5% in Swanley St Mary's.

Cancer (excluding non-melanoma skin cancer)

- Cancer Prevalence (2015/16-2017/18) ranges in Sevenoaks District from 2.58% in Sevenoaks Northern to 3.72% in Halstead, Knockholt and Badgers Mount.

Mental Health

It is believed that one in four adults and one in 10 children experience mental illness. Conditions can range from common (anxiety, depression) to more serious mental health conditions (psychoses, schizophrenia, bipolar affective disorder). In the Sevenoaks District we can see a slight change in the prevalence of serious mental health conditions, this ranges from 0.52% in Kemsing to 0.82% in Swanley St Mary's.

With respect to hospital admissions for mental health conditions (2013/14-2017/18) we can also see a range of prevalence depending on the location in Sevenoaks District, from 97.84 (per 100,000) in Otford and Shoreham to 256.64 (per 100,000) in Swanley St Mary's.

Hospital Episode Statistics (2019/20) highlight a rate of 187.5 (per 100,000) in Sevenoaks District for emergency hospital admissions for intentional self-harm. This is statistically similar to the England value of 192.6 (per 100,000).

Lastly, the Office of National Statistics (2017-19) highlight a rate of 6.8 per 100,000 for suicide. This is statistically similar to the England rate of 10.1 per 100,000.

Sevenoaks District Council's Mental Health Strategy (2021) focuses of five priorities:

1. More people will have good mental health
2. More people with mental health problems will have good physical health
3. More people will have a positive experience of care and support
4. Fewer people will suffer avoidable harm
5. Fewer people will experience stigma and discrimination

The actions outlined within this action plan will aim to support the priorities outlined within the Mental Health Strategy (2021)

Cancer Screening

KPHO also provides information on the Cancer screening rate respective of the different wards in Sevenoaks District. Once again, we can see variance in the uptake rates dependent on where the client resides in Sevenoaks:

- Bowel Cancer Screening (aged 60-74) of those screening within the last 30 months (2014/15-2016/17). Swanley St Mary's has a screening rate of 56.75% whereas Eynsford has a screening rate of 64.73%
- Breast Cancer Screening (aged 50-74) of those screening within the last 36 months (2014/15-2016/17). Sevenoaks Kippington has a screening rate of 70.36% whereas Eynsford has a screening rate of 78.48%

- Cervical Cancer Screening (aged 25-64) of those screening between 2014/15 – 2016/17. Swanley St Mary's has a screening rate of 75.72% whereas Eynsford has a screening rate of 84.34%

Poverty

Statistics from DWP (2020) helps us to identify which wards in Sevenoaks District are more likely to have residents in receipt of Universal Credit. The average for Sevenoaks District in 2016 was 1.9%. Focusing our attention on those with above average rates, we can identify the following areas:

- Swanley St Mary's (6.5%)
- Swanley White Oak (5%)
- Swanley Christchurch and Swanley Village (2.4%)
- Crockenhill and Well Hill (2.3%)
- Fawkham and West Kingsdown (2.3%)
- Farningham, Horton Kirby and South Darenth (2.2%)
- Edenbridge South and West (2.1%)
- Hextable (2%)
- Otford and Shoreham (2%)

It is estimated that residents of Penshurst, Fordcombe and Chiddingstone (12.4%) and Cowden and Hever (12.6%) are more likely than the England average (10.3%) to experience fuel poverty (PHE, 2018). Residents in Swanley St Mary's (3.4%) are more likely than the England average (2.8%) to be unemployed and claiming out of work benefit and 3.4 (per 1000) residents of Leigh and Chiddingstone Causeway are likely to be in long-term unemployment, which is more than the equivalent England rate (3.2 per 1000) (PHE 2019/20).

Conclusions

In this section, we highlighted the prevalence of certain health conditions within the Sevenoaks District and further highlighted the differences that exist in health outcomes between Sevenoaks residents depending on where they live. The health conditions highlighted are (for the majority) preventable through the adoption of positive health behaviours, which is demonstrated by the year on year reduction in Smoking with the reduction in the prevalence of associated conditions.

Actions should focus on maintaining support services that support the adoption of good health behaviours in addition to targeting services at the areas of highest need.

Ageing Well

People in England can now expect to live longer than ever before, but unfortunately, these additional years might not be spent in good health with many developing medical conditions that will affect quality of life. Sevenoaks is an ageing District, according to Kent County Council the number of people aged 65+ is forecast to rise by 14.76% by 2030. As such, supporting and enabling our older residents to stay fit and healthy is a major priority for Sevenoaks District.

There are some medical conditions that are more prevalent in the older generation, these include; dementia, fall related hip fracture and winter death associated to poorly maintained, colder homes. With the anticipated population rise, it is important the Sevenoaks District is vigilant to the needs of our older residents and provides services that can address this potentially growing problem.

Life Expectancy at 65

2013-2017 data on Life Expectancy at 65 follows a similar trend to that noted in previous sections. A resident can expect to live for different amount of years depending on where they live. For males, this ranges from an additional 17.28 years in Swanley White Oak to 22.86 years in Halstead, Knockholt and Badgers Mount. For females, this ranges from an additional 19.98 years in Farningham, Horton Kirby and South Darenth to 27.95 years in Seal and Weald. The factors surrounding this may have been already identified in our “Living Well” section where we see higher rates of life limiting medical conditions caused by the uptake of negative health behaviours.

Causes of mortality 65+

The Kent Public Health Observatory allows us to view the premature (all causes) mortality rate (per 100,000 population) of over 65 year olds when compared with the rest of Kent (2015-2017). As previously identified, we can see that the rate is not consistent in the Sevenoaks District with 2480.7 persons per 100,000 in Halstead, Knockholt and Badgers Mount and 4946.02 per 100,000 in Sevenoaks Northern.

We can also view premature mortality by causative disease:

- Premature mortality from cardiovascular disease of over 65 year olds when compared with the rest of Kent (2013-2017)
 - 81.46 (per 100,000) in Brasted, Cheving and Sundridge
 - 1702.73 (per 100,000) in Sevenoaks Northern
- Premature mortality from cancer of over 65 year olds when compared with the rest of Kent (2015-2017)
 - 429.62 (per 100,000) in Penshurst, Fordcombe & Chiddingstone
 - 1385.62 (per 100,000) in Hartley and Hodsell Street
- Premature mortality from respiratory disease of over 65 year olds when compared with the rest of Kent (2013-2017)
 - 243.5 (per 100,000) in Seal and Weald
 - 901.29 (per 100,000) in Leigh and Chiddingstone Causeway

Dementia

Dementia is syndrome associated with an ongoing decline in cognitive functioning. This can include problems with; memory, understanding, mood, movement, language (amongst others).

The recorded prevalence of Dementia (2015/16-2017/18) shows some variance depending on where people live, from 0.59% in Cowden and Hever to 1% in Dunton Green and Riverhead. Unfortunately, Sevenoaks District is performing worse when compared to England for Dementia diagnosis rate of 65+ residents (2021), with the Sevenoaks percentage diagnosis at 57.6% and the England percentage diagnosis at 61.6%.

Actions must be made to improve the diagnosis rate of dementia for Sevenoaks District residents where possible to support treatment for this condition as early as possible.

Falls Prevention

For older residents, the impact of a fall can be life changing. Older people are at an increased risk of having a fall due to; balance problems and muscle weakness, vision loss, other health conditions (heart disease, dementia or low blood pressure). In Sevenoaks District, 584 65+ residents (per 100,000) had a hip fracture (2019/20). This is statistically similar to the England rate of 572 (per 100,000).

Emergency hospital admission due to falls in people aged 65+ (2015/16-2017/18) varies from 1497.98 (per 100,000) in Seal and Weald to 3408.76 (per 100,000) in Crockenhill and Well Hill.

Emergency hospital admission due to hip fracture in people aged 65+ (2013/14-2017/18) varies from 310.22 (per 100,000) in Seal and Weald to 971.54 (per 100,000) in Hextable.

The prevention of falls and subsequent injury caused by the fall is an important action for Sevenoaks District considering the growing older population. This could take the form of supporting the physical stability of our residents or changing the landscape of Sevenoaks District to limit the risk of falls.

Excess winter deaths

This rate indicates the amount of deaths that occur during the winter that would not have been usually expected throughout the course of the year. They are generally associated with the reduced temperature and our older residents who are more adversely affected by fuel poverty and medical conditions that result from lower temperatures.

In Sevenoaks District, we can see a rate of 15% (ONS, 2018-19) which is statistically similar to the England rate of 15.1%. With a growing older population it will become increasingly important to make sure our older Sevenoaks residents are able to stay well each winter and have the resources they need to keep a warm, safe home.

Poverty

The older people in poverty: Income deprivation affecting older people index (IDAOPI, 2019) highlights the differences that exist between wards in Sevenoaks District from Halstead, Knockholt and Badgers Mount (4.1%) and Swanley St Mary's (15.4%). Swanley White Oak and Swanley St Mary's represent the only two wards where residents are at greater risk of income deprivation by comparison to the England average.

Conclusions

With a growing older population, it will be increasingly important that Sevenoaks District is ensuring an adequate provision of services to meet the needs of our older residents. In accordance with the Council Plan, we want to ensure that Sevenoaks residents are supported to live independently for as long as possible. Preventing falls, promoting sociability and physical activity, ensuring residents homes are suitable for their needs and improving the diagnoses rate of dementia are just some of the actions that could be taken to help our older residents to age well.

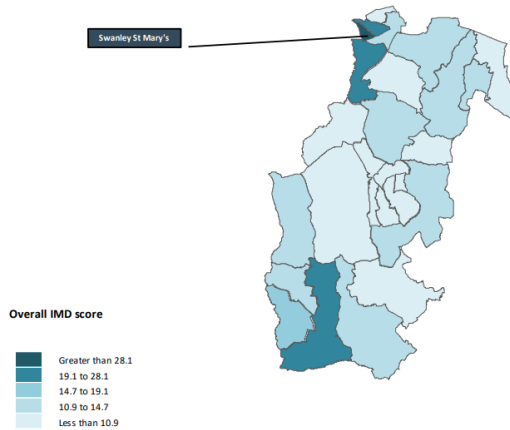
Health Inequalities

“Health inequalities are unfair and avoidable differences in health across the population, and between different groups within society. Health inequalities arise because of the conditions in which we are born, live, work and age. These conditions influence our opportunities for good health, and how we think, feel and act, and this shapes our mental health, physical health and wellbeing” NHS England.

As we have already noted there is a 9-year age gap in the life expectancy of males and females living in different wards in Sevenoaks. It is believed that the deprivation of an area could have a major contributing impact on the health outcomes of residents.

Index of Multiple Deprivation (IMD): by electoral ward

Overall IMD score, population weighted quintile, 2019



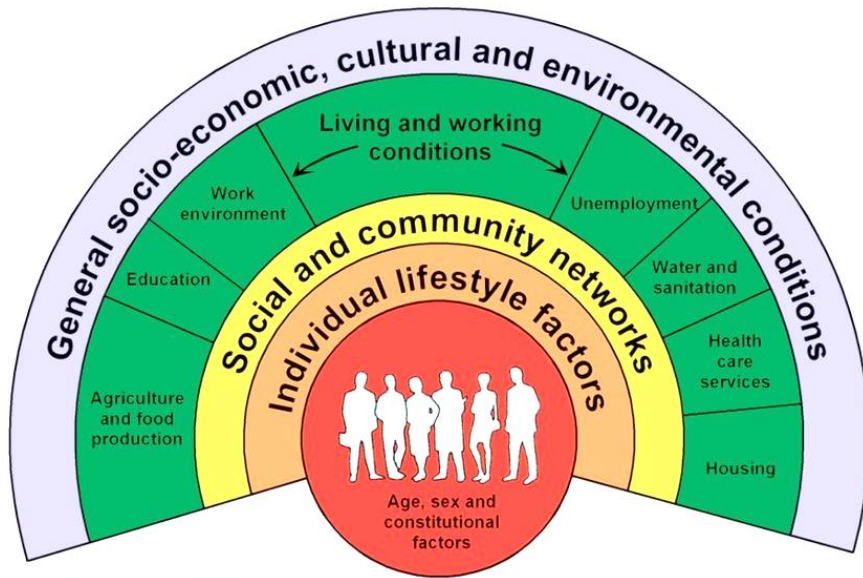
Source: DCLG, prepared by KPHO (MP), Oct-19

In the map above, we see Swanley St Mary's, Swanley White Oak, Crockenhill and Well Hill and Cowden and Hever highlighted as the more deprived regions of Sevenoaks District.

Throughout this Action Plan, we have identified many differences between different wards in Sevenoaks in relation to the likelihood of living with certain health conditions or even succumbing to premature mortality. Whilst no causal link with deprivation is evident, there are certainly trends that demonstrate that our residents living in areas of deprivation or within target groups will be more at risk of poorer health outcomes and negative health behaviours than less deprived areas.

Wider Determinants of Health

It is now widely recognised that our health is determined by a much wider range of factors other than just health care. These include how and if people can access employment, social, housing and other environmental factors of where they live.



Source: Dahlgren and Whitehead, 1991

It is important to reiterate that wellbeing “runs through everything we do...”.

Sevenoaks District Council provides a range of services that support and address the “Wider Determinants of Health” for our residents on a daily basis.

It is hoped that this Action Plan can contribute towards improvements in the Health and Wellbeing of all Sevenoaks residents whilst supporting a reduction in Health Inequalities that exist within the District. We must not forget the importance of identifying and addressing wider determinants of health which may stand in the way of the health and wellbeing of Sevenoaks residents.

Objectives and Actions

Our objectives follow the same themes identified above; Starting Well, Living Well, Ageing Well. Our subsequent actions are led primarily from the data presented in this action plan. The Sevenoaks District Health Action Team will be made up of representatives of organisations that:

- Support Sevenoaks residents.
- Can contribute to the achievement of the actions outlined in this action plan.

Through the partnership work of the Health Action Team, we might identify gaps in service provision or gain additional insight on the needs of Sevenoaks District residents. The Health Action Team will work in partnership to address these gaps and respond to these needs.

Ref	2022-23 Priority Action	Lead Agency	Other Partners
Starting Well Actions			
SW1	Support a reduction in obesity and excess weight in children	KCHFT School Health Team	
SW2	Enable Sevenoaks District Mothers to maintain breastfeeding for the first 6 months of their child's life	KCHFT Health Visiting Service	
SW3	Support a smokefree home for Sevenoaks residents and enable more Sevenoaks Mothers to quit smoking during pregnancy	KCHFT Smoking Cessation Service	
SW4	Prevent the illegal consumption of alcohol in under 18's and subsequent hospital admissions resulting from excessive alcohol consumption	Kenward Trust	Sevenoaks District Council Licensing Team
SW5	Support Sevenoaks children and young people to adopt healthy lifestyle choices.	KCHFT School Health Team	
Living Well Actions			
LW1	Continue to provide services that contribute towards the reduction of smoking in Sevenoaks District with particular targeting for at-risk groups.	KCHFT Smoking Cessation Service	
LW2	Improve the diagnosis rate of Diabetes for Sevenoaks residents	KCHFT NHS Health Check Service	
LW3	Encourage more Sevenoaks residents to consume alcohol within lower risk levels and limit hospital admissions for alcohol specific conditions	Change, Grow, Live	Sevenoaks District Council Health Team KCHFT One You Team
LW4	Support Sevenoaks adults to adopt healthy lifestyle choices that facilitate weight loss and increases in physical activity	Sevenoaks District Council Health Team	Sencio Everyone Active
LW5	Adapt the physical design of Sevenoaks District so that healthy lifestyle choices become a routine part of residents lives	Sevenoaks District Council Planning Team	Sevenoaks District Council Health Team
LW6	Provide adapted health improvement services targeted at specific populations (where needed) to ensure all residents can benefit from good physical health	Involve Kent	Sencio Everyone Active

LW7	Encourage Sevenoaks District businesses and organisations to consider the Health and Wellbeing of their organisation and employees	Kent & Medway Healthy Workplaces Programme	Sevenoaks District Council Health Team
LW8	Promote Cancer Screening initiatives to encourage more residents to take up Cancer screening when eligible.	All Organisations	
Ageing Well Actions			
AW1	Improve the diagnosis rate of dementia in the district	Unknown at this stage	
AW2	Provide specialist services targeted at improving the quality of life of residents affected by dementia	Sevenoaks Area Dementia Friendly Community & Swanley Area Dementia Friendly Community	
AW3	Work with older residents to prevent falls and limit the potential for hip fracture in older residents	Involve Kent, West Kent Falls Prevention Service & Virgin Care Falls Team	Age UK Sevenoaks & Tonbridge Sevenoaks District Health Team Sencio Everyone Active
AW4	Ensure residents can receive support to stay safe, healthy and independent in their own homes for as long as possible	Sevenoaks District Council Private Sector Housing Team	
AW5	Promote the importance of staying well at winter in older populations	Sevenoaks District Council Health Team	All Public Supporting Organisations
All Life Courses			
ALL1	Target services towards areas and residents of greatest need without preventing all residents from accessing support.	All Organisations delivering client centred services	
ALL2	Enable more professionals to have conversations with residents on health and wellbeing	Kent County Council - MECC	
ALL3	Ensure non-digital advertising is employed to promote services to those residents with limited digital access.	All Organisations delivering client centred services	
ALL4	Support the reduction of wider determinants of health that can have a negative impact on resident's mental health.	Imago Community and Involve Kent	
ALL6	Encourage more client-facing organisations to engage in Mental Health Awareness and Mental Health First Aid training	West Kent Mind & North Kent Mind	

If you are supporting Sevenoaks residents and feel you could support in the achievement of our actions then we would welcome hearing from you and welcoming you to the Health Action Team, please contact Sevenoaks District Council via; healthy.living@sevenoaks.gov.uk

Membership of the Health Action Team 2022-23 and contact details

Sevenoaks District Council Argyle Road, Sevenoaks, Kent, TN13 1GP	Age UK Sevenoaks & Tonbridge The Old Meeting House, St John's Road	Change, Grow, Live Tel: 0330 128 1113
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<p>Tel: 01732 227000 Web: www.sevenoaks.gov.uk</p>	<p>Sevenoaks, TN13 3LR Tel: 01732 454108 Web: https://www.ageuk.org.uk/sevenoaksandtonbridge/</p>	<p>Web: https://www.changegrowlive.org/westkent</p>
<p>Everyone Active Web: https://www.everyoneactive.com/</p>	<p>Involve Kent 30 Turkey Court, Ashford Road, Maidstone, ME14 5PP Tel: 03000 810005 Web: https://www.involvekent.org.uk/</p>	<p>Imago Community John Spare House, 17-19 Monson Road, Tunbridge Wells, Kent, TN1 1LS Tel: 01892 530330 Web: https://www.imago.community/</p>
<p>Kent Community Health Foundation Trust (KCHFT) Web: https://www.kentcht.nhs.uk/</p>	<p>Kent County Council County Hall, Maidstone, ME14 1XQ Tel: 0300 041 4141 Web: https://www.kent.gov.uk/</p>	<p>Kent & Medway Healthy Workplaces Programme Gun Wharf, Dock Road, Chatham, ME4 4TR Tel: 01634 334 307</p>
<p>Kenward Trust Kenward Road, Yalding, Kent, ME18 6AH Tel: 01622 814187 Web: https://www.kenwardtrust.org.uk/</p>	<p>North Kent Mind The Almshouses, 20 West Hill, Dartford, DA1 2EP Tel: 01322 291380 Web: https://northkentmind.co.uk/</p>	<p>Sencio Buckhurst Lane, Sevenoaks, Kent, TN13 1LW Web: https://www.sencio.org.uk/</p>
<p>Sevenoaks Area Dementia Friendly Community Argyle Road, Sevenoaks, Kent, TN13 1GP Tel: 01732 447055</p>	<p>Swanley Area Dementia Friendly Community</p>	<p>Virgin Care Falls Team Gravesend Community Hospital, Bath Street, Gravesend, DA11 0DG</p>
<p>West Kent Falls Prevention Coxheath Centre, Coxheath, ME17 4AH</p>		

Enquiries to:

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Item 10 - Discretionary Rate Relief

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2022. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January 2022, Minute 38)

The Business Rates Manager presented the report which sets out the proposals for awarding discretionary rate relief for 2022/2023. Discretionary rate relief could be awarded in isolation or given to 'top up' a mandatory award.

Members were informed of a change of address for the Citizens Advice in North and West Kent in Appendix B, page 21, to First Floor, 5 Bligh's Walk Sevenoaks, TN13 1DB. This would require a slight alteration to rate relief from £911.36 to £1921.15. This would mean that total gross relief would be altered from £194,625 as laid out in paragraph 19 of this report to £195,635.

The estimated level of relief was based upon the multipliers set out in paragraph 17 of the report. Ultimately, should the multipliers change a further report setting out the revised relief awards would be submitted. In response to questions Councillors were informed that these properties would not benefit from other grants and that any changes will be updated throughout the year.

Resolved: that it be recommended that Cabinet approve the proposals for granting relief from business rates for 2022/2023 set out in Appendix B subject to the alteration to the address of Citizens Advice and the corresponding alteration to 2022/2023 gross relief to £195,635.

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DISCRETIONARY RATE RELIEF

Cabinet 10 February 2022

Report of: Deputy Chief Executive and Chief Officer - Customer and Resources

Status: For Decision

Also considered by: Finance & Investment Advisory Committee - 11 January 2022

Key Decision: No

Executive Summary: The Council requires potential recipients of discretionary rate relief to submit a formal application every two years. This report sets out the proposals for awarding discretionary rate relief for 2022/2023 to ratepayers covered by applications made in 2020/2021.

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

Portfolio Holder: Cllr. Dickins

Contact Officer(s): Sue Cressall, Ext. 7041

Paula Porter, Ext. 7277

Recommendation to Finance & Investment Advisory Committee: members are asked to recommend that Cabinet approve the proposals for granting relief from business rates for 2022/2023 set out in Appendix B.

Recommendation to Cabinet: members are asked to approve the proposals for granting relief from business rates for 2022/2023 set out in Appendix B.

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

Introduction and Background

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

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

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

- 2 Section 47 of the Local Government Finance Act 1988 (as amended by s69 of the Localism Act 2011) provides local authorities with powers to grant discretionary rate relief of up to 100% to any ratepayer.
- 3 Discretionary rate relief can be awarded in isolation or given to ‘top-up’ a mandatory award.
- 4 However, unless one of the following apply, authorities may only grant discretionary rate relief if satisfied that it would be reasonable to do so, having regard to the interests of the council tax payers:
 - The ratepayer is a charity or trustees for a charity, and the property is wholly or mainly used for charitable purposes; or
 - The ratepayer is a community amateur sports club and the property is wholly or mainly used for the purpose of the club and other such clubs; or
 - The ratepayer is entitled to mandatory rural rate relief; or
 - All or part of the property is occupied by non-profit making organisations whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
 - The property is occupied by a club, society or other non-profit making organisation and it is wholly or mainly used for purposes of recreation.
- 5 Authorities should have easily understood guidelines for deciding whether or not to grant relief and for determining the amount of relief which should be based on the consideration of the merits of each individual case. However, as the range of bodies that may be eligible for discretionary rate relief is wide, not all the suggested criteria will be applicable in each case.
- 6 The Council currently grants discretionary rate relief over the following categories:
 - Discretionary rate relief up to 100% of rates bill (but usual award is 80%);
 - Village Shop rate relief at 50% of rates bill;
 - Hardship relief up to 80% of rates bill; and
 - Discretionary ‘top-up’ relief to take total relief up to 100% of the rates bill.

- 7 Members reviewed the criteria for granting discretionary rate relief to charities, not for profit organisations, discretionary rural rate relief and hardship relief in February 2013 and this is attached at Appendix A.
- 8 The Government announced the intention to double mandatory rural rate relief to 100% from 1 April 2018 onwards. However, this still requires an amendment to primary legislation which cannot be implemented by 1 April 2022. Local Authorities are advised to use discretionary powers to award the additional 50% relief which will be reimbursed by way of a section 31 grant.
- 9 Officers also recommend the award of discretionary rural rate relief to those businesses offering some or all of the service of a Post Office or General Store which is essential to the community but do not qualify for mandatory rural rate relief because of the rateable value. The recommendation is to award discretionary rural rate relief after application of other reliefs so as to give the ratepayers 100% relief from business rates.
- 10 Applications from ratepayers falling outside of these criteria will be considered on their merits and individual recommendations will be made having regard to the interests of the District's council tax payers.

Approach taken to reviewing applications

- 11 The full list of applications, together with officer recommendations, is attached at Appendix B. Each application has been considered on its own merits, however in reviewing applications against the criteria, similar organisations were considered together, to ensure consistency of approach.
- 12 The criteria was applied as follows for discretionary rate relief and discretionary top-up relief:
 - Links to Council priorities - the extent to which the activities supported the Council's priorities was assessed, including support/activities for vulnerable or socially excluded groups.
 - Evidence of financial need including reserve levels and assets - all organisations were requested to provide financial information and reserve levels were compared to annual expenditure, to assess financial need. The ability to generate income was also considered. In addition, for sports clubs, consideration was given to whether they had applied to become community amateur sports clubs (CASCs).
 - Membership within the District - where it appeared that a substantial proportion of the membership was from outside the District, this was taken into account in putting forward a recommendation.
 - Membership open to all - where membership is restricted to a particular group or locations, or is dependent on recommendations from existing members this has been taken into account, as not all residents would be able to benefit from the relief granted.

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- Membership fee levels - fee levels were assessed to consider whether they were so high that they could exclude some in the local community.
 - Bar activity and profits - if the bar is the main activity an organisation was unlikely to be recommended for relief. Any profits are expected to be used to fund club expenses.
- 13 For discretionary village shop relief, officers considered the benefits of the shop/business to the local community when compared with the cost of the relief. It is recommended that the village shops receive relief due to the benefit they provide to local communities.
- 14 Where a ratepayer receives 100% small business rate relief the recommendation is for no discretionary rate relief or village shop relief to be granted, since the businesses already receive maximum support.
- 15 There is no formal appeals process against the Council's decisions on the discretionary reliefs referred to in this report. The current approach is however to re-consider decisions in the light of any representations made by the ratepayers.

Applications for 2022/2023

- 16 Appendix B contains the details of each applicant to be considered for relief for 2022/2023 and detailed recommendations of the level of relief to be applied. All applicants fall to be considered under the criteria set out in Appendix A.
- 17 In the Autumn Budget and Spending Review on 27 October 2021 the Chancellor announced a multiplier freeze for 2022/2023. Although still subject to final confirmation, it is anticipated that the small business non-domestic rating multiplier will be set at 49.9p and the standard non-domestic rating multiplier will be set at 51.2p.
- 18 The estimated level of relief is based upon the multipliers set out in paragraph 17. Ultimately, should the multipliers change a further report setting out the revised relief awards will be submitted.
- 19 If applications are approved, the estimated total gross relief granted would be £194,625.
- 20 Members should be aware that the requirement for relief can change during the financial year as a result of rateable value changes, vacations etc. Therefore, some of these awards may not ultimately require full funding.

Other options Considered and/or rejected

- 21 Members have discretion not to grant rate relief or to vary the amount of relief awarded. No recommendation is being made to reduce or remove relief because relief from business rates provides organisations with

valuable support and contributes to the Council's commitment to supporting and developing the local economy.

Key Implications

Financial

- 22 Since 1 April 2013 all discretionary relief granted has come under the provisions of the business rate retention scheme.
- 23 The cost of relief is initially shared between central government (50%) and local authorities (50%). Of this Sevenoaks District Council is required to fund 40%. However, due to the complexities of business rates retention, the actual impact is likely to be significantly lower.
- 24 Appendix B only refers to the gross discretionary rate relief proposed.
- 25 S31 grants will be made to compensate for the top-up to mandatory rural rate relief.

Legal Implications and Risk Assessment Statement

- 26 There are no legal issues.

Risk Assessment Statement

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

Equality Assessment

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

Net Zero Implications

- 30 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.

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Conclusions

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

Appendices

Appendix A - Policy for considering applications for Discretionary Rate Relief

Appendix B - List of organisations proposed to receive relief

Background Papers

None

Jim Carrington-West

Deputy Chief Executive and Chief Officer - Customer & Resources

Policy for considering applications for Discretionary Rate Relief

Charitable and not for profit organisations

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

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

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

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

The process for considering applications is as follows:

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

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

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

Discretionary rural rate relief

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

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

Hardship Relief

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

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

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

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

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Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Estimated Relief for 2022/23	Recommendation/comments
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	DISCRETIONARY RELIEF					
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30556849	Hospices of Hope Trading Ltd 11-13 High Street, Otford TN14 5PG	Shop	Otford	80	£10,878.20	Recommended
30733226	Kent Downs AONB Unit The Tea Barn, Shoreham TN14 7UB	Office	Shoreham	80	£3,792.40	Recommended
30570319	New Ash Green Village Assoc Ltd Ash Road, New Ash Green DA3 8HH	Hall	Ash	80	£3,233.52	Recommended
30557491	New Ash Green Village Assoc Ltd Punch Croft, New Ash Green DA3 8HR	Sports Ground	Ash	80	£6,696.60	Recommended
30578788	New Ash Green Village Assoc Ltd Centre Road, New Ash Green DA3 8HH	Office	Ash	80	£4,690.60	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
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30553475	New Ash Green Village Assoc Ltd Ash Road, New Ash Green DA3 8JY	Workshop	Ash	80	£5,489.00	Recommended
30709346	RACDV Sales Ltd 36 Swanley Centre, Swanley BR8 7TL	Shop	Swanley	80	£5,788.48	Recommended
30761191	Target Your Potential Ltd Unit 3 Vincent House, Edenbridge, TN8 6EL	Office	Edenbridge	80	£10,978.00	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
	TOP-UP RELIEF					
30550568	10th Sevenoaks (Weald's Own) Scout Group R/O 13-16 Glebe Road, Weald TN14 6PB	Hall	Weald	20	£332.80	Recommended
30562165	15th Sevenoaks (Otford) Scout Group Station Road, Otford TN14 5QU	Hall	Otford	20	£312.32	Recommended
30569944	16th Sevenoaks (Ide Hill) Scout Group Camberwell Lane, Ide Hill TN14 6JL	Hall	Sundridge	20	£125.44	Recommended
30565195	17th Sevenoaks (Westerham) Scout Group Hortons Way, Westerham TN16 1BT	Hall	Westerham	20	£235.52	Recommended
30557095	1st Crockenhill Scout Group Stones Cross Road, Swanley BR8 8LT	Hall	Swanley	20	£184.32	Recommended

Ref	Organisation name and property description/address	Property type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30561414	1st Edenbridge Scout Group Station Road, Edenbridge TN8 5HP	Hall	Edenbridge	20	£227.84	Recommended
30558593	1st Eynsford & Farningham Scout Group Priory Lane, Eynsford DA4 0AY	Hall	Eynsford	20	£250.88	Recommended
30565812	1st Horton Kirby Scout Group Horton Road, Horton Kirby DA4 9BN	Hall	Horton Kirby	20	£256.00	Recommended
30558555	1st Sevenoaks Scout Group 57 Oakhill Road, Sevenoaks TN13 1NT	Hall	Sevenoaks	20	£373.76	Recommended
30562080	3rd Sevenoaks (Riverhead) Scout Group Bradbourne Vale Road, Sevenoaks TN13 3QQ	Hall	Sevenoaks	20	£327.68	Recommended
30567641	4th Sevenoaks (St Johns) Scout Group Mill Lane, Sevenoaks TN14 5BU	Hall	Sevenoaks	20	£778.24	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30573417	6th Sevenoaks (Kemsing) Scout Group Heaverhad Road, Kemsing TN15 6NE	Hall	Kemsing	20	£204.80	Recommended
30566792	7th Sevenoaks (Halstead) Scout Group Shoreham Lane, Halstead TN14 7BY	Hall	Halstead	20	£112.64	Recommended
30556245	7th Tonbridge (Eden Valley) Scout Group Kiln Lane, Leigh TN11 8RT	Hall	Leigh	20	£266.24	Recommended
30638543	Age UK Sevenoaks & Tonbridge The Old Meeting House, St Johns Road, Sevenoaks TN13 3LR	Hall	Sevenoaks	20	£1,971.20	Recommended
30748907	Archbishop's Palace Conservation Trust The Gatehouse, Otford Palace TN14 5PD	Hall	Otford	20	£132.24	Recommended
30612176	Badgers Mount Memorial Hall Highland Road, Badgers Mount TN14 7BA	Hall	Badgers Mount	20	£409.60	Recommended
30741845	Chiddingstone Nursery School Hill Hoath Road, Chiddingstone TN8 7AD	Day Nursery	Chiddingstone	20	£880.64	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30735406	Citizens Advice in North & West Kent 38 Swanley Centre, Swanley BR8 7TQ	Shop	Swanley	20	£1,126.40	Recommended
30574069	Citizens Advice in North & West Kent Buckhurst Lane, Sevenoaks TN13 1HW	Offices	Sevenoaks	20	£911.36	Recommended
30604373	Eden Valley Museum Trust Church House, R/O 72 High Street Edenbridge TN8 5AR	Museum	Edenbridge	20	£1,305.60	Recommended
30693953	Edenbridge & Westerham Citizens Advice Bureau The Eden Centre, Edenbridge TN8 6BY	Office	Edenbridge	20	£1,638.40	Recommended
30569890	Farningham Village Hall High Street, Farningham DA4 0DH	Hall	Farningham	20	£409.60	Recommended
30558982	Fawkham Village Hall Valley Road, Fawkham DA3 8NA	Hall	Fawkham	20	£624.64	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30554416	Halstead Village Hall Knockholt Road, Halstead TN14 7EX	Hall	Halstead	20	£327.68	Recommended
30675078	Hartley Village Hall Ash Road, Hartley DA3 8EL	Hall	Hartley	20	£307.20	Recommended
30721865	Hextable Community Collective 39 Egerton Avenue, Hextable BR8 7LG	School	Hextable	20	£2,867.20	Recommended
30555785	Ide Hill Village Hall Management Ide Hill, Sevenoaks	Store	Sundridge	20	£227.84	Recommended

	TN14 6JG					
30570296	Ide Hill Village Hall Management Ide Hill, Sevenoaks TN14 6JG	Hall	Sundridge	20	£291.84	Recommended
30702369	Kingsdown Village Hall Gamecock Meadow, London Road West Kingsdown TN15 6BZ	Hall	West Kingsdown	20	£1,843.20	Recommended
30658332	Longfield & Hartley Scout Group Larkwell Lane, Hartley DA3 7EQ	Club House	Hartley	20	£522.24	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30557156	Otford Village Memorial Hall High Street, Otford TN14 5PQ	Hall	Otford	20	£727.04	Recommended
30722288	Rainbow Pre-School Coolings Green & Pleasant Main Road, Knockholt TN14 7LJ	Day Nursery	Knockholt	20	£839.68	Recommended
30643088	Riverside Players Unit 11 Furlongs Farm, Riverside Eynsford DA4 0AE	Store	Eynsford	20	£232.96	Recommended
30758171	Samaritans of East Surrey 105 St Johns Hill, Sevenoaks TN13 3PE	Office	Sevenoaks	20	£1,024.00	Recommended
30744370	Second Chance Animal Rescue Bournewoods, Stones Cross Road Swanley BR8 8LT	Animal Sanctuary	Swanley	20	£1,280.00	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30575161	Sevenoaks District Scout Council School Lane, Seal TN15 0BE	Hall	Seal	20	£286.72	Recommended
30605970	Sevenoaks Leisure Ltd White Oak Leisure Centre, Swanley BR8 7BT	Leisure Centre	Swanley	20	£41,984.00	Recommended
30607556	Sevenoaks Leisure Ltd Buckhurst Lane, Sevenoaks TN13 1LW	Leisure Centre	Sevenoaks	20	£25,856.00	Recommended
30607570	Sevenoaks Leisure Ltd Lullingstone Golf Club, Orpington BR6 7PX	Restaurant	Shoreham	20	£1,013.76	Recommended
30607563	Sevenoaks Leisure Ltd Edenbridge Leisure Centre TN8 5LU	Leisure Centre	Edenbridge	20	£22,528.00	Recommended

30734694	Sevenoaks Leisure Ltd Edenbridge Local Office TN8 5LU	Office	Edenbridge	20	£645.12	Recommended
30550339	Shoreham Village Hall 25 High Street, Shoreham TN14 7TB	Hall	Shoreham	20	£404.48	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30671342	Stag Community Arts Centre Stag Theatre, Sevenoaks TN13 1ZZ	Theatre & Cinema	Sevenoaks	20	£5,939.20	Recommended
30556276	Sundridge Village Hall Main Road, Sundridge TN14 6EJ	Hall	Sundridge	20	£307.20	Recommended
30720022	Swanley & District Foodbank 11 Lynden Way, Swanley BR8 7DN	Shop	Swanley	20	£532.48	Recommended
30756144	The Cottage Community Cottage Day Centre, Fawkham DA3 8PU	Community Centre	West Kingsdown	20	£281.60	Recommended
30719305	The Kent Firefighting Museum Woodlands Nurseries, Ash TN15 7EG	Museum	Ash	20	£404.48	Recommended
30569487	Ash Village Hall The Street, Ash TN15 7HA	Hall	Ash	20	£276.48	Recommended
30554812	West Kent Mind Day Centre, Glen Dunlop House St Johns Road, Sevenoaks TN13 3LW	Day Centre	Sevenoaks	20	£501.76	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
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	RURAL RATE RELIEF					
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30602841	Seal Supermarket Ltd 21 High Street, Seal TN15 0AN	Shop	Seal	100	£6,029.58	Recommended
30697481	Ide Hill Community Shop CIC Ide Hill Village Hall, Ide Hill TN14 6JG	Shop	Sundridge	50	£2,624.00	Recommended
30551899	Mr Alan Johnson	Shop	Leigh	50	£1,587.20	Recommended

	Park View, High Street, Leigh TN11 8RL					
30756564	Mr Robert G Martin 27 High Street, Seal TN15 0AN	Shop	Seal	50	£2,176.00	Recommended
30572421	Mr N Stokes Essington House, Eynsford DA4 0AB	Shop	Eynsford	50	£1,766.40	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2022/23	Relief for 2022/23	Recommendation/comments
30556207	Penshurst Place Forge Garage, High Street Penshurst, TN11 8BU	Petrol Filling Station	Penshurst	50	£1,536.00	Recommended
30669516	Rafferty Investments Ltd Darenth House, Eynsford DA4 0AA	Shop	Eynsford	50	£2,508.80	Recommended

<u>Discretionary Rate Relief</u>		Number	Relief 2022/23
Total Officer Recommended		8	£51,546.80
Total Officer Rejected		0	£0.00
<u>Top-Up Relief</u>		Number	Amount
Total Officer Recommended		50	£124,850.32
Total Officer Rejected		0	£0.00
<u>Rural Rate Relief</u>		Number	Amount
Total Officer Recommended		7	£18,227.98
Total Officer Rejected		0	£0.00

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Item 11 - Summary of the Sevenoaks District Emerging Housing Strategy

The attached report was considered by the Housing & Health Advisory Committee on 17 January 2022. The relevant Minute extract is below.

Housing & Health Advisory Committee (17 January 2022, Minute 46)

The Housing Strategy Manager presented the report which sets out a summary of the key priorities and themes of Sevenoaks District Council's emerging housing strategy. The Council appointed recognised consultants, Arc4 and Campbell Tickell, to work with officers to support the collation of the evidence base, consultation and drafting of the strategy. The Strategy represented the emerging objectives and key priorities for Sevenoaks District.

Further consultation would help shape the new Housing Strategy which would identify how the Council would manage and deliver its strategic housing role and provide an overarching framework that would feed into the Local Plan and help to formulate other policies on housing issues.

Members discussed the report and stressed the lack of options for first time buyers. It was noted that the draft timetable would be amended as public consultation would be extended into April 2022. Parish Councils were to be contacted and consulted as required.

Public Sector Equality Duty

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

Resolved: it be recommended to Cabinet that public consultation be undertaken.

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SUMMARY OF THE SEVENOAKS DISTRICT EMERGING HOUSING STRATEGY 2022-2026

Cabinet - 10 February 2022

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

Status: For Decision

Also considered by:

- Housing & Health Advisory Committee - 17 January 2022

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.

Executive Summary Local authorities are not required by Government to have a formal housing strategy, but they are expected to adopt a strategic approach to housing in their local areas to deliver a thriving housing market and address local needs. This report presents a summary of the key priorities and themes of Sevenoaks District Council's emerging Housing Strategy for consideration and approval for public consultation. The final Housing Strategy document will require approval by Full Council so that it may be adopted. A draft timetable is therefore provided detailing the possible timeline to Full Council in July 2022.

This report supports the Key Aim of: delivering a sustainable economy where people can live, work and travel more easily and are empowered to shape their communities.

Portfolio Holder: Cllr Kevin Maskell

Contact Officer: Sharon Donald, Housing Strategy Manager, Ext. 7131

Recommendation to Housing & Health Advisory Committee:

- a) To consider the summary of the emerging Housing Strategy;
- b) To support the summary of the emerging Housing Strategy being presented to Cabinet in February 2022, where approval will be sought to undertake full public consultation on the draft priorities and summary.

Recommendation to Cabinet:

- a) To consider the draft priorities and summary of the emerging Housing Strategy;
- b) To approve any minor amendments to the summary being incorporated by the Housing Strategy Manager in consultation with the Portfolio Holder for Housing and Health and Chief Officer - People and Places; and,
- c) To approve the draft priorities and summary being made available for public consultation in order to further shape the development of the emerging Housing Strategy.

Reason for recommendation: The Housing Strategy is a key document that details the Council's priorities for enabling and delivering new homes, ensuring good quality homes in the private sector, and enabling vulnerable residents to remain in their homes.

Introduction and Background

- 1 The current Housing Strategy - Wellbeing Starts at Home (2017-2021) is currently being reviewed and refreshed.
- 2 The Council appointed recognised consultants, Arc4 and Campbell Tickell, to work with officers to support the collation of the evidence base, consultation and drafting of the strategy.
- 3 The process for developing the strategy has included:-
A review of around 25 relevant internal documents including:-
 - 2015 Strategic Housing Market Assessment
 - 2017 Local Housing Needs Survey
 - 2021 Targeted Review of Local Housing Needs and stakeholder feedback
 - 2021 Older Persons Housing Needs Survey
 - Emerging Local Plan
 - Approximately 25 interviews with staff and members, including Housing, Planning, Property and Commercial and Cabinet members.

- Evidence and ideas that have emerged from relevant evidence, reviews and assessments.
- Responses to key questions posed by the consultants (attached as Appendix 1).
- Engagement meetings with officers and Members, including a virtual workshop held on 17 November 2021.

Proposed layout of the new Housing Strategy

4 The contents page will contain the following:-

- Foreword
- Executive Summary
- **SECTION 1:** Sevenoaks as a place and its ambitions for housing
- **SECTION 2: PRIORITY 1:** Developing Sevenoaks' housing offer: building new affordable homes
- **SECTION 3:PRIORITY 2:** Promoting quality and optimising the suitability of homes
- **SECTION 4: PRIORITY 3:** Reducing homelessness and improving routes into permanent accommodation
- **SECTION 5: PRIORITY 4:** Healthy people, homes and places
- Action Plan

A summary of the sections

5 **SECTION 1: Sevenoaks District as a place and its ambitions for housing**

This section is a context-setting section and chronicles the main ambitions and priorities for housing within the setting of Sevenoaks District as being a very popular, but expensive place to live.

It references the Council Plan (2018) and the six priorities in the Community Plan 2019-2022 as the Council's main vision documents whilst leaving space for further amendments following the ongoing Character Study being developed by Planning Policy. It also references the opportunities for the Town Centre Plans to achieve some of the Council's ambitions (including for housing), for new affordable homes to support a sustainable economy and for partnerships with health to enable people to live well in suitable homes for longer.

It positions Sevenoaks District Council as a key performer in shaping the District's housing market with a range of partners, helping to fill gaps in the

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market so that more households can live in a suitable home at a price they can afford.

It also provides a summary of some of the key successes the Council has had relating to housing in recent years, alongside the main challenges it faces, whilst also identifying some of the opportunities.

6 **SECTION 2: PRIORITY 1: Developing Sevenoaks District's housing offer: building new affordable homes**

This section is in two parts. The first part summarises what needs to be delivered in the District based on the evidence provided. This includes:

- Population and household trends and the implications for housing;
- Affordable housing requirements and the challenge of 'genuine affordability';
- The need for homes at varied price-points;
- Delivery targets on new housing developments;
- Targets for specialist homes and filling gaps in resident housing journeys - particularly young people moving into independence, essential workers and older people looking to move to a more suitable home.

The second part sets out how Sevenoaks District Council intends to influence and support delivery of new homes. It proposes a range of options including:

- The Council considering becoming a Registered Provider allowing it to apply for Affordable Housing Programme Funding from Homes England;
- Prudential borrowing, using Public Works Loans Board or other lending mechanisms;
- Strategic development partnerships with key partners, such as housing associations;
- Direct acquisition and building through Quercus Housing and Quercus 7;
- Review of smaller sites, including Council owned land, for development and disposal for housing;
- Optimising affordable housing delivery through the planning system;
- Optimising how land is used;
- Sources of funding for new homes;
- Supporting others to building new homes;

- Community housing and self-build models.

Whilst the focus is on filling gaps that are not well-served by the market it contains options that cross-subsidise from 'for profit' activity.

7 SECTION 3: PRIORITY 2: Promoting quality and optimising suitability of homes

This section is in three parts. The first sets out an approach to standards in new homes for the Council to consider. This largely focuses on whether Sevenoaks District Council intends to require building, design or low carbon standards that are above the legal requirements.

The second focuses on improving both supply and quality in the private rented sector. It proposes a suite of measures to enhance the experience for both landlords and tenants and persuade more property owners to let their homes to people who are on the housing register. This includes persuading and supporting owners of empty homes to turn them into good quality homes. The section proposes upgrades to the Council's enforcement approach to address the poorest housing and management conditions.

The third section focuses on suitability of the homes for occupiers, across all tenures. It includes:-

- Support for older people either to stay living in their existing home or to find and move to a more suitable home or co-housing experience;
- Refurbishing, extending or repurposing of dwellings to make better use of them;
- Providing better opportunities for disabled people to access a home that suits them as their needs change;
- Recommendations for the review of the allocations policy to support better matching of homes, including right-sizing, to particular needs to improve residents' lives also sits in this section.

8 SECTION 4: PRIORITY 3: Reducing homelessness and improving routes into permanent accommodation

Recognising that homelessness is a growing problem in the Sevenoaks District, this section sets out a 'whole journey' approach to addressing the issue.

It starts with the housing market challenges that lie behind the rising homeless figures and moves quickly into how the Council will strengthen its approach to 'prevention'. There are sections on 'relief' of homelessness and rough sleeping. The recent decision the Council has taken to invest directly in new Temporary Accommodation is included.

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There is a very important section on improving routes into permanent accommodation that includes several actions to create better pathways for people to access appropriate accommodation in a timely way, so that no one spends longer than a defined period in Temporary Accommodation. There is an appeal to partners to work constructively with the Council to improve outcomes for people who do find themselves without a home.

9 SECTION 5: PRIORITY 4: Healthy people, homes and places

This section sets out two or three areas of focus for Sevenoaks District Council, in partnership with NHS and public health colleagues, to improve residents' health and wellbeing. Building on the success of Sevenoaks District Council's Hospital Discharge and Safe and Secure schemes, it offers some approaches to addressing health issues that are caused or exacerbated by someone's housing situation before they present in an acute (hospital) setting. This includes the matter of affordable warmth to address fuel poverty which clinicians are now being expected to support in guidance on *Excess winter deaths and the health risks associated with cold homes* published by NICE (National Institute for Clinical Excellence).

The section includes a checklist for healthy place-shaping, the Council's town centre plans and the opportunities to develop more '15-minute neighbourhoods'. It also includes a summary of the Council's efforts to address energy efficiency and drive towards low carbon homes existing housing.

Next Steps

- 10 The draft timeline for reporting, public consultation and final approval for the implementation of the Housing Strategy is as follows:-

Deadline for any comments and/or revisions to summary document 31 December 2021		
Housing & Health Advisory Committee	17 January 2022	Comments to Cabinet prior to public consultation on the emerging priorities of the Housing Strategy
Cabinet	10 February 2022	Request for approval of the emerging priorities of the Housing Strategy for public consultation
PUBLIC CONSULTATION - 14 February 2022 to 11 March 2022		
SMT	22 March 2022	Feedback from consultation and

		presentation of Housing Strategy
Cabinet Briefing	5 April 2022	Feedback from consultation and presentation of Housing Strategy
Housing & Health Advisory Committee	7 June 2022	Feedback from consultation and presentation of final draft Housing Strategy
Cabinet	7 July 2022	Recommendation for approval of the Housing Strategy and action plan for implementation
Full Council	19 July 2022	Approval of the Housing Strategy and action plan for implementation.

Other Options Considered and/or Rejected

- 11 Whilst section 87 of the Local Government Act 2003 conferred the power on the Secretary of State to require local housing authorities to have a housing strategy, this was repealed by section 29 of the Deregulation Act 2015. This means there is no statutory requirement for the Council to have a Housing Strategy. Nevertheless, the Council’s constitution includes a Policy Framework that references a Housing Strategy as a key strategy or plan.

The Council has a range of statutory duties relating to housing, homelessness, and reviewing housing conditions. This strategy will assist the Council in meeting those duties. The strategy will be carefully developed through an inclusive process to ensure it has, as far as possible, taken into account a range of views and the results of considerable evidence and analysis.

The strategy is a key document that details the Council’s priorities for delivering new homes, ensuring good quality homes in the private sector, and enabling vulnerable residents to remain in their homes.

Key Implications

Resource (Non-Financial)

There are no additional resource requirements arising from the approval of the strategy.

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Financial)

Immediate activity summarised in the strategy is accounted for within existing budgets. Any additional activity identified as part of the strategy' Action Plan will be considered for feasibility within the normal yearly budgeting activity.

Legal Implications and Risk Assessment Statement

The Council has a range of statutory duties relating to housing, homelessness, and reviewing housing conditions. This strategy will assist the Council in meeting those duties.

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.

However, a full equality impact assessment will accompany the final strategy to consider any implications.

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]

Conclusions

Whilst there is no statutory requirement for the Council to have a Housing Strategy, the Council's constitution includes a Policy Framework that references a Housing Strategy as a key strategy or plan that should set out the Council's priorities for housing.

Following the appointment of Arc4/Campbell Tickell in late September 2021, work commenced on the process for developing the strategy as detailed in point 3 of this report. The resulting summary represents the emerging objectives and key priorities for Sevenoaks District.

Further consultation will help shape the new Housing Strategy which will identify how we will manage and deliver our strategic housing role and provide an overarching framework that will feed into the Local Plan and help to formulate other policies on housing issues.

Appendices

Appendix 1 - Responses to Key Questions for Members

Background Papers

None

Sarah Robson

Deputy Chief Executive and Chief Officer - People & Places

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SEVENOAKS DISTRICT COUNCIL HOUSING STRATEGY

**CONTENTS OF PRESENTATION PROVIDED BY ARC4
MEMBERS WORKSHOP 17 NOVEMBER 2021**

1 Update on the progress of the emerging Housing Strategy

- Details of original brief
- Sevenoaks Document Review
- Interviews with relevant staff and Members
- Key Questions Posed

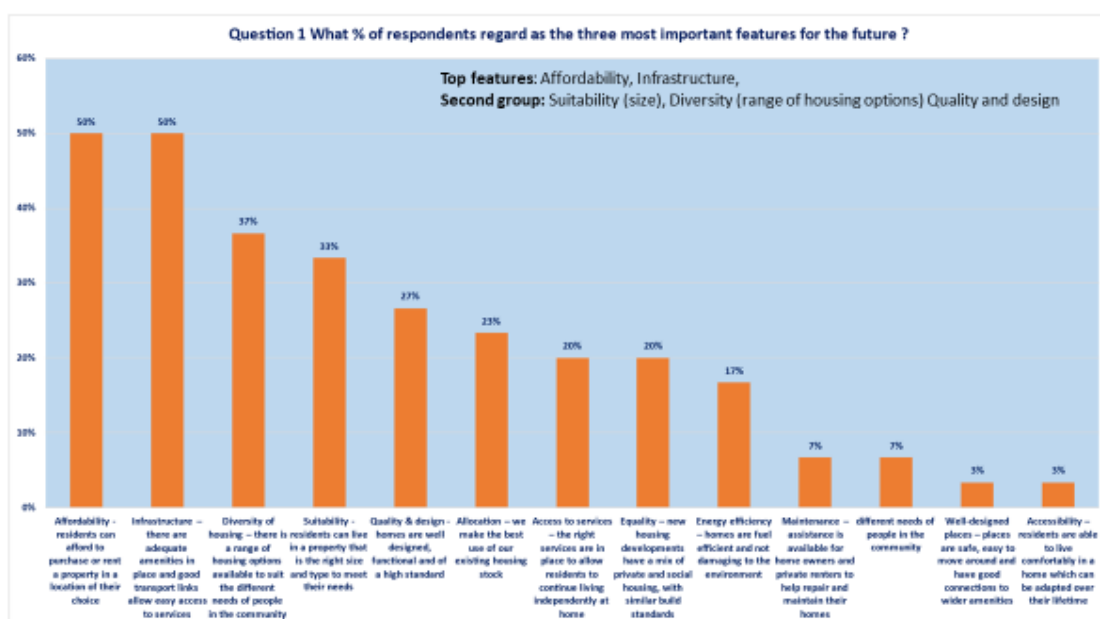
2 Overview of proposed layout, sections and themes

- Foreword and Executive Summary
- **SECTION 1:** Sevenoaks as a place and its ambitions for housing
- **SECTION 2: THEME 1:** Developing Sevenoaks' housing offer: building new affordable homes
- **SECTION 3: THEME 2:** Promoting quality and optimising the suitability of homes
- **SECTION 4: THEME 3:** Reducing homelessness and improving routes into permanent accommodation
- **SECTION 5: THEME 4:** Healthy people, homes and places
- Action Plan
- Appendices

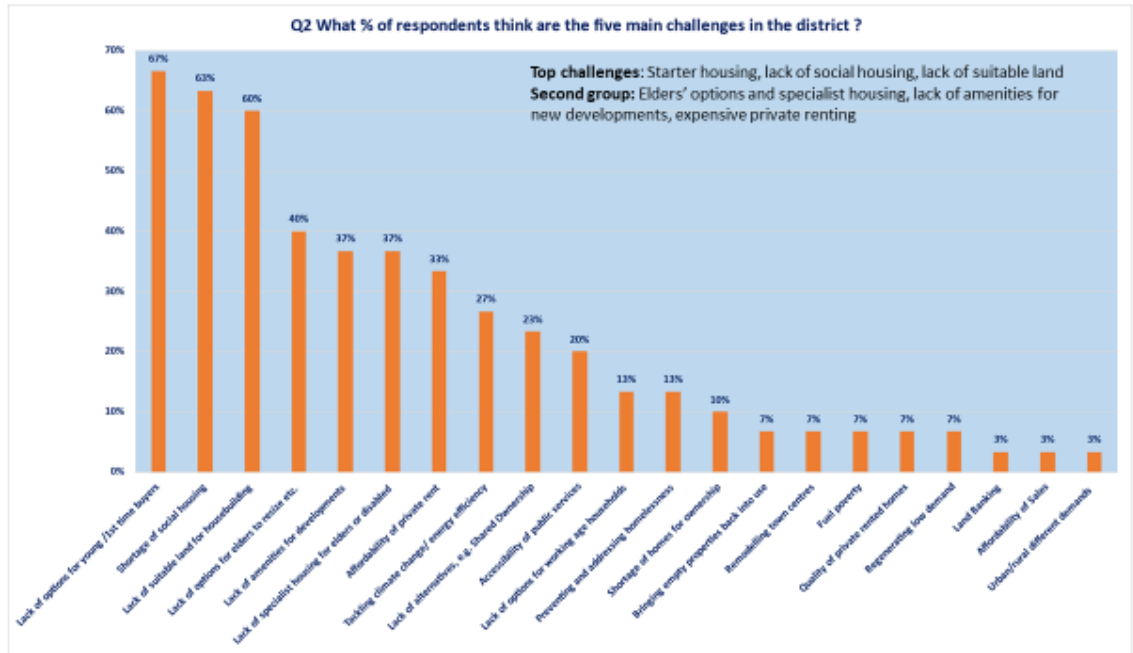
3 Key Questions and Themes for discussion

- Key Questions were made available to Members prior to the workshop with all responses being fed back to Arc 4;
- A polling opportunity was provided at the workshop for attendees to respond to Questions 1 and 2 of the Key Questions. The data below includes all responses whether provided prior to or at the workshop.

Question 1: What % of respondents regard as the 3 most important features for the future?



Question 2: What % of respondents think are the 5 main challenges in the district?



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Item 12 - Sevenoaks District Housing Register Allocations Scheme

The attached report was considered by the Housing & Health Advisory Committee on 17 January 2022. The relevant Minute extract is below.

Housing & Health Advisory Committee (17 January 2022, Minute 47)

The Housing Strategy Manager presented the report which laid out that the scheme would require approval by Full Council so that it may be adopted as Council policy. Following adoption, it would apply to all applicants seeking social housing in the District and the allocation of vacant social housing stock.

The Housing Register Allocations Policy directed applications for, and the allocation of, vacant social housing in the District. It applied to approximately 6,500 homes. The Policy was used in conjunction with the local choice based lettings scheme - Kent Homechoice - and was followed by the District Council's Housing Accommodation Team and the Council's housing provider partners, including Quercus Housing.

The new Scheme had been drafted to ensure that access to social housing supported the needs of residents and the corporate aims of the Council, as well as reflecting legislation. There was an extremely limited supply of social housing within the Sevenoaks District and this scheme was designed to work with the Council's housing providers to make the best use of the stock available and promote Sevenoaks District as an attractive place to live.

It was noted that the proposed all-member consultation prior to consideration by Cabinet was due to be held on 19 January.

It was noted that the draft timetable would be amended as public consultation would be extended into April 2022.

Members discussed the report.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that

- a) the proposed main headline revisions to the new Sevenoaks District Housing Register Allocations Scheme be considered;
- b) a full public consultation be approved

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SEVENOAKS DISTRICT HOUSING REGISTER ALLOCATIONS SCHEME

Cabinet - 10 February 2022

Report of: Deputy Chief Executive and Chief Officer - People and Places

Status: For Decision

Also considered by:

- Housing & Health Advisory Committee - 17 January 2022

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.

Executive Summary: To present details of the proposed main headline revisions to the new Sevenoaks District Housing Register Allocations Scheme, for consideration and comment. To note that an all-Member consultation is proposed prior to consideration by Cabinet, where Cabinet approval will be sought for a full public consultation.

The scheme will require approval by Full Council so that it may be adopted as Council policy. Following adoption, it will apply to all applicants seeking social housing in the District and the allocation of vacant social housing stock.

A draft timetable is provided showing the possible timeline to Full Council in July 2022.

This report supports the Key Aim of:

Caring Communities - to help people live safe, independent and fulfilling lives and meeting the needs of vulnerable and low income households - by helping those in housing need to have fair and proportionate access to suitable homes in the social housing sector.

Sustainable Economies- provide a good mix of decent and affordable housing - by ensuring local people have priority for social housing in the District and awarding high priority to social housing tenants who wish to downsize, thereby freeing up family size housing for others in housing need.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer: Sharon Donald, Ext. 7131

Recommendation to Housing & Health Advisory Committee:

- (a) To consider the proposed main headline revisions to the new Sevenoaks District Housing Register Allocations Scheme;
- (b) To support the draft Scheme being presented to Cabinet in February 2022, where approval will be sought to undertake full public consultation

Recommendation to Cabinet:

- (a) To consider the draft Sevenoaks District Council Housing Register Allocations Scheme;
- (b) To approve any changes to the draft Scheme arising, being incorporated by the Housing Strategy Manager, following consultation with the Portfolio Holder for Housing & Health;
- (c) To approve the draft Scheme being made available for public consultation.

Reason for recommendation: To ensure the District Council has a Housing Allocations Scheme that complies with statutory provisions, and which treats all applicants for social housing in a fair and equitable manner.

Introduction and Background

- 1 S.167 (1) Housing Act 1996 states “Every local housing authority shall have a scheme (their “allocation scheme”) for determining priorities and as to the procedure to be followed, in allocating housing accommodation.
- 2 The current Sevenoaks District Housing Register Allocations Policy directs applications for, and the allocation of, vacant social housing in the District. It applies to approximately 6,500 homes. The Policy is used in conjunction with the local choice based lettings scheme - Kent Homechoice - and is followed by the District Council’s Housing Accommodation Team and our housing provider partners, including Quercus Housing.
- 3 A snapshot of the number of live applications on the housing register on 01 November 2021 show 774 households registered in bands A to D with 310 (40%) assessed as needing a 1 bedroom property and 277 (36%) needing a 2 bedroom property. Demand for larger properties with 3 or more bedrooms is much lower, with 123 (16%) requiring a 3 bedroom home and 64 (8%) requiring 4 or more bedrooms. 22 applications (3%) were assessed as band A priority, with over half of these needing a 3 bedroom property. 350 (45%) applications were assessed as band B priority. 165 (21%) of applications were assessed as having little or no housing need and placed in band D.
- 4 The current Policy was adopted in 2019. The policy is deemed to be in need of review to ensure that we continue to help those in greatest need of housing as well as making best use of the available housing stock within the district. This update will also allow us to adopt best practice.

Proposed Allocation Scheme

- 5 The new Sevenoaks District Council Housing Register Allocations Scheme has been drafted to ensure that access to social housing supports the needs of residents and the corporate aims of the Council, as well as reflecting current legislation. There is an extremely limited supply of social housing within the Sevenoaks District and this scheme is designed to work with our housing providers to make the best use of the stock available and promote Sevenoaks District as an attractive place to live.
- 6 The draft Scheme is designed to treat all applicants for social housing in a fair and equitable manner. The Allocation Scheme will offer applicants some choice in their accommodation and ability to express preference on their accommodation type and location. This individual choice and preference must be balanced with the needs of all applicants and the need for the Council to offer the best value through its housing services.
- 7 The main proposed changes included in the draft Scheme are:
 - a. Local connection is to be revised and will require 3 years’ continuous residency in the Sevenoaks District immediately prior to the application or 3 years’ continuous employment, with the place of work, rather than the business address, in the Sevenoaks District. The above will ensure those with a genuine and strong connection to the District are best placed to access the very limited social housing

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stock. However, local connection will continue to not be deemed to be an overriding factor when it is necessary for an applicant to leave an area, such as in cases of domestic abuse. The proposed local connection criteria is provided at Appendix 1;

- b. Bandings are revised to help alleviate bottlenecks arising from homeless applicants, which is currently creating an increase in Band B category, whilst ensuring the use of nightly paid temporary accommodation is acknowledged under the Scheme and its cost minimised as far as possible. The revised Bandings will also give the highest priority to social housing tenants wishing to downsize and those freeing up fit for purpose wheelchair/adapted homes. Details of proposed Bandings are provided at Appendix 2.
- c. Income caps have been increased to realistic levels and in line with adjacent local authorities. This will eradicate the need for separate and higher income caps applying to Rural Exceptions Housing schemes, ensuring all applicants are dealt with equitably;
- d. As a general rule, only accepting “care giver/receiver” applications from applicants living outside the District, as well as establishing what constitutes an acceptable journey time by public transport for “care” journeys and defining who can be considered a Carer under the scheme by reference to nationally applied benefits. This will greatly assist the Accommodation Team to assess this type of application;
- e. Re-iterating the policy of one offer only for most applicants. This recognises the scarcity of the social housing stock and acknowledges the Scheme is there to address housing need rather than meet housing aspiration;
- f. Establishing a mechanism whereby categories of applicant, e.g. homeless applicants, can obtain exclusive bidding/allocation rights to vacant stock for a set period of time. This can be used to overcome specific and temporary pressures on the housing service.

8 The first draft of the Allocations Scheme is provided at Appendix 4.

Timetable to Scheme adoption

9 An all-Member engagement event on the draft Scheme is proposed to place in the period between January’s Housing and Health Advisory Committee and February’s Cabinet meeting.

10 The new Scheme will ultimately require approval by Full Council in order to be adopted as Council policy. The draft timetable is:

- Housing & Health Advisory Committee - 17 January 2022

- All-Member consultation - end of January 2022
- Cabinet - 10 February 2022
- Public consultation - 14 February to 11 March 2022
- Cabinet Briefing - 5 April 2022 (consideration of consultation responses and suggested changes to draft Scheme)
- Housing & Health Advisory Committee - 7 June 2022 (consideration of consultation responses and suggested changes to draft documents)
- Cabinet - 7 July 2022 (finalised Scheme to be considered)
- Full Council - 19 July 2022 (Scheme adoption)

Other options Considered and/or rejected

None. Work done to ensure the development of the Scheme will enable us to avoid costly legal challenges or compensation awards by the Ombudsman, which could significantly exceed that of the proposed expenditure.

Key Implications

Financial

For the first 6 months following any homeless applicant's acceptance onto the Housing Register, the new Scheme's revised Bandings will remove any advantage to those in temporary accommodation. The Scheme should therefore indirectly reduce the level of temporary accommodation placements and assist with managing the homelessness budgets. For example, Homeless with no additional needs in nightly paid accommodation = Band C for the first 6 months, thereafter, Band A.

There will be a cost for updating the housing register system as well as possible overtime costs for staff that will be required to update the system. It is anticipated that this can be covered from existing grant funding.

Resources (non financial)

The Council operates a 'closed list' housing register and there are qualifying entry requirements in order to be accepted onto the register. In order to be accepted onto the register all applicants must meet the two qualifying criteria; these are local connection and housing need. As the supply of social housing in the district is limited, the Council will concentrate its resources, which includes access to social housing and Housing Accommodation staff resources, on those applicants most likely to receive an offer of accommodation. The new Scheme will assist the Accommodation Team in making and defending decisions, thereby freeing up officer time for other duties.

Legal Implications and Risk Assessment Statement

Sevenoaks District Council keeps a housing register of people who want to be considered for social housing. The District Council is required to have a Scheme that complies with the statutory provisions contained in the Housing Act 1996 (as

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amended). The current policy has identified deficiencies, which the new Scheme will rectify.

Failure to have a lawful scheme will lead to legal challenges that the authority would not be in a position to defend.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and varies between groups of people. The results of this analysis are set out in Appendix 3.

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.

Safeguarding Children and Vulnerable Adults.

The new Allocations Scheme will be operated by the Accommodation Team who are fully conversant with our responsibility to safeguard children and vulnerable adults. If the Team has any concerns, the District Council's policy of, "if you see it, say it", will continue to be followed and taken up by a Safeguarding Designated Officer.

Human Rights

Section 5 of the new Allocations Scheme recognises the needs of those seeking our help due to humanitarian and human rights abuses.

Wellbeing

The new Allocations Scheme will promote wellbeing by assisting applicants into homes which are best suited to their needs, including homes that are accessible to those with disabilities and housing with support.

Conclusions

The District Council is required to have a Scheme that complies with the statutory provisions contained in the Housing Act 1996 (as amended). The current policy has identified deficiencies, which the new Scheme will rectify.

Member support is therefore sought to progress the new Scheme, including Member and stakeholder consultation, and for the outcome of the consultation to be

brought back to the Housing & Health Advisory Committee and Cabinet for further consideration and Scheme development.

Appendices

Appendix 1 - Local Connection Criteria

Appendix 2 - Proposed Bandings A - D

Appendix 3 - Equality Impact Assessment (EqIA)

Appendix 4 - Draft Sevenoaks District Housing Register Allocations Scheme

Background Papers

None

Sarah Robson

Deputy Chief Executive and Chief Officer - People and Places

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Appendix 1

Sevenoaks District Housing Register Allocations Scheme

Local Connection Criteria

You will not be able to join the Housing Register if you do not have a local connection with the Sevenoaks District. A local connection under this scheme means:

- currently living in the District and have been resident for a continuous period of three years at the point of application. This does not include households placed in temporary accommodation under the homelessness legislation or Children Act 1989
- currently employed in the District, who's place of work is within the District and have been working within the District continuously for the last three years at the point of application
- are self-employed, where the majority of their work is within the District, and has been the case continuously for the last three years at the point of application
- if we have accepted the main housing duty under the homelessness legislation (s193 Housing Act 1996)
- a serving member of the Regular Armed Forces or a former member within five years of discharge (or a bereaved or separated spouse or civil partner of such a member)
- a serving or former member of the Reserve Armed Forces within five years of discharge who needs to move because of a serious injury, medical condition or disability sustained as a result of their service

In exceptional circumstances, applicants will not need to demonstrate a local connection. This can include (but is not limited to) applicants who:

- have had a break in the period of continuous residence or employment due to circumstances beyond their control. For example, a temporary move to escape violence or threats of violence, or a temporary change to their usual place of work;
- are currently residing outside Sevenoaks District but need to move into the District to provide or receive significant and ongoing care or support to, or from, a close family member (i.e. children, parents or siblings, only). A care giver/receiver must currently live a minimum one hour's journey time away either by car or, if they do not have access to private transport, the shortest timetabled public transport route
- need to move to receive significant and ongoing care or support from regulated providers
- are at risk of violence or harassment (including domestic abuse or hate crime) and that risk would be substantially reduced by a move to a permanent home in the District

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- are Sevenoaks residents temporarily displaced because they are currently residing in a supported housing or rehabilitation scheme outside the district
- are aged 55 years or over and have been assessed as suitable for housing within one of the district's designated older persons' housing schemes
- applicants who are unable to demonstrate a local connection because they are travellers who have been pursuing a nomadic lifestyle in accordance with their cultural tradition
- Different local connection criteria will apply to new social housing provided on Rural Exceptions Housing schemes and other schemes in rural parishes where local needs nomination arrangements have been approved by the District Council. Here priority will be given to applicants with a local connection to the host Parish. Full criteria is set out in the legal agreement applying to each scheme. Details of these schemes and the local connection criteria applying, can be obtained from the Housing Policy team.

Appendix 2

Sevenoaks District Housing Register Allocations Scheme

Bandings

Band A

Applicants in Band A have the highest priority for social housing. However, other housing options may still need to be considered so that Applicants can move more quickly and the Housing Advice Team will discuss this with you.

This band includes the following:

- Those with an urgent need to move as their current accommodation is unsuitable for their medical or disability needs and due to this they are unable to be discharged home from hospital or other clinical or respite facilities (e.g. “bed blocking”);
- Where an applicant has a terminal illness and the current accommodation is unsuitable for their medical needs and end-of-life care or cannot be suitably adapted (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council’s Private Sector Housing team);
- Where an applicant or a member of their household has an urgent medical condition or there is an emergency medical situation, and the current home is not suitable for their medical needs or is not capable of being adapted to be able to meet these needs (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council’s Private Sector Housing team);
- Transfer applicants currently living in a designated wheelchair accessible home or a home with significant and useable adaptations (as assessed by the landlord housing association/Provider) but those adaptations are not required by any member of the household;
- Transfer applicants who need to move because their home is scheduled for redevelopment;
- Applicants who have been assessed by the Housing Register Panel as needing a move under the National Witness Mobility Programme (NWMP) or other similar vulnerable person protection scheme;
- Where the Private Sector Housing Team have assessed there are one or more Category 1 hazards (as assessed under the Housing Health and Safety Rating Scheme) or other severe property conditions that impose an imminent risk of harm to the occupants and remedial action is considered unreasonable or impractical for cost or other reasons;
- Applicants who have been assessed by the Housing Register Panel as needing a move due to an immediate, urgent or exceptional need;
- Where there is a rehousing obligation because a demolition, prohibition or compulsory purchase order has been served in respect of the applicant’s current accommodation;
- Transfer applicants who are looking to downsize and move to a home with at least one bedroom fewer than in their current home;

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- Applicants who have been assessed as requiring 3 more bedrooms to meet the needs of their household and are classed as [statutory overcrowded](#);
- Serving members of the Armed Forces who need to move because of a serious injury, medical condition or disability sustained as a result of their service;
- The bereaved spouse or civil partner of a member of the Armed Forces leaving Services Family Accommodation following the death of their spouse or partner;
- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and who have been placed by the District Council in nightly paid accommodation for a period of at least 6 months (or other period that may be set by the District Council) and where no suitable accommodation (including private sector accommodation) has been identified by the Accommodation Team during this period in order to discharge the council's homelessness duty;
- An applicant who is being made redundant from, or is retiring from, a job that includes tied accommodation and their departure from the job means they are required to give up their tenancy.

Band B

Applicants in Band B have a high priority but are still likely to have to wait some time to be re-housed. Alternative housing options should therefore discussed with the Housing Advice Team.

This band includes the following:

- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and they have the following additional needs:
 - Long-term health conditions that are unlikely to improve as assessed by the Housing Register Panel,
 - Households where there is a need to place them in Sevenoaks due to Child Protection Plans under Children Act 1989,
 - Households with children who have an Educational Health and Care Plan;
- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and who have been placed in temporary accommodation other than nightly paid accommodation, for a period of at least 6 months (or other period that may be set by the District Council) and where no suitable accommodation (including private sector accommodation) has been identified by the Accommodation Team during this period in order to discharge the council's homelessness duty;

- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and this duty has been in existence for a period of at least 12 months (or other period that may be set by the District Council), who have not been placed by the District Council in any form of temporary accommodation, and where no suitable accommodation (including private sector accommodation) has been identified by the Accommodation Team during this period in order to discharge the council's homelessness duty;
- Where an applicant or a member of their household has a high medical condition and the current home is not suitable for their medical needs or is not capable of being adapted to be able to meet these needs (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council's Private Sector Housing Team);
- Where the Private Sector Housing Team have assessed that there are one or more Category 1 hazards (as assessed under the Housing Health and Safety Rating Scheme) which are having a negative impact on the medical, disability or welfare needs of a member of the household and remedial action is considered unreasonable or impractical for cost or other reasons;
- Applicants living in supported housing schemes within the District (or temporarily displaced to a supported housing scheme in another borough or district) who have been assessed as ready to move on into independent living;
- Young people (16 - 25 year olds) in care accommodation and considered ready to move out of care by KCC Social Services;
- Young people (16 -17 year olds) who are threatened with homelessness.

Band C

Applicants in Band C can expect to wait a long time to be re-housed. They should proactively look at other housing options to resolve their housing difficulties;

- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 but who are not assessed as having additional needs;
- Applicants who have been assessed as requiring another bedroom(s) to meet the needs of their household and are classed as [statutory overcrowded](#);
- Verified rough sleepers who have a local connection to Sevenoaks;
- Where an applicant or a member of their household has a medical condition ("other condition") and the current home is not suitable for their medical needs or is not capable of being adapted to be able to meet these needs (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council's Private Sector Housing Team);

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- Households where one or more members are awarded a priority on medical, disability or welfare grounds, as the current housing conditions are having a negative impact on the medical, disability or welfare needs of a member of the household This includes where care is given or received;
- Tenants occupying HM Forces service family accommodation who are threatened with homelessness because they have been served with a valid notice to vacate their tenancy (usually at least three months). *NB. this Band level is under review to ensure it fully complies with the Sevenoaks District Armed Forces Community Covenant*

Band D

Applicants in Band D can expect to wait a very long time to be re-housed, unless they are applying for older person's accommodation. They may wish to look at other housing options to resolve their housing difficulties;

- Homeless applicants who have a housing need but where we do not owe a duty to secure accommodation, such as:-
 - non-priority homeless households or
 - households assessed as having become homeless intentionally;
- Applicants who meet none of the criteria in Bands A -D above, but are eligible, only, to be considered for properties on rural exception sites or accommodation in rural parishes where local needs housing nomination arrangements have been agreed by the Council;

*Explanatory note: Applicants will only be eligible to bid for the above categories of **rural housing** and then only for vacancies that arise in their local parish/parishes. They will not be eligible to bid for any other social housing. Their inclusion on the Housing Register means the District Council does not need to hold a separate register for local needs rural housing. We know that applicants and Providers, as well as our own Housing staff, value the benefit and fairness of a single point of application for social housing.*

- Applicants assessed as needing designated older persons' housing who are not currently residing in such accommodation and who may, or may not have, a local connection to Sevenoaks District.

*Explanatory note: A local connection is not necessarily required for **designated older persons' housing**. This is to ensure there is a ready pool of eligible applicants for whenever vacancies arise. Traditionally, vacancies occur more frequently in older persons' housing and lettings tend to take longer. Wherever possible, the District Council wants to ensure vacant homes are re-let as quickly as possible, as this makes the most efficient use of the social housing stock.*

Equality Impact Assessment

Appendix 3 - Sevenoaks District Housing Register Allocations Scheme

Summary of decision to be made:	Draft Sevenoaks District Housing Register Allocation Scheme		
Lead Officer (job title):	Sharon Donald, Housing Strategy Manager		
Date the final decision is due to be made:	19/07/2022	Date this assessment commenced:	25/11/2021
Is the decision relevant to the aims of the Public Sector Equality Duty?	Yes / No		
Eliminate discrimination, harassment and victimisation	Yes / No		
Advance equality of opportunity	Yes / No		
Foster good relations	Yes / No		
If the answer is yes to any of the above, proceed with the assessment. If the answer is no, please say why and summarise any evidence:			
For each of the following characteristics, summarise any existing data, consultation activity, interpretation of the impacts and actions that can be taken to reduce or mitigate any negative impacts:			
Characteristic:	Data and consultation	Summary of impact	Actions
Disability	Sevenoaks District Housing Needs Survey 2017, Targeted Review of Local Housing Needs 2021, 2011 Census, Sevenoaks District Housing Strategy 2022 (emerging), Older Persons' Housing Needs Study 2022.	Highest priority proposed for tenants vacating adapted homes. This will facilitate the potential for more suitable homes becoming available to meet the needs of disabled Housing Register applicants.	WKEP Aim: Other actions as a service provider
Carers	As above	Reasonable travel distances now stipulated as a factor when determining priority. This will ensure applicants experiencing unsustainable journeys to give/receive care, will have priority.	WKEP Aim: Other actions as a service provider
Race	As above	None - the allocations policy aims to treat all applicants equally irrespective of race	WKEP Aim: Other actions as a service provider
Gender	As above	None - the allocations policy aims to treat all applicants equally irrespective of gender	WKEP Aim: Other actions as a service provider
Age	As above		

Equality Impact Assessment

		Highest priority proposed for tenants vacating larger family-size properties and downsizing to one bedroom homes. This will facilitate more family-size homes becoming available to meet the needs of other Housing Register applicants. people 55 years or over and having been assessed as suitable for housing within one of the district's designated sheltered housing or extra care schemes, will not need to demonstrate a local connection.	WKEP Aim: Other actions as a service provider
Religion / Belief	As above	None - the allocations policy aims to treat all applicants equally irrespective of religion or belief	WKEP Aim: Other actions as a service provider
Sexual Orientation	As above	None - the allocations policy aims to treat all applicants equally irrespective of sexual orientation	WKEP Aim: Other actions as a service provider
Pregnancy / Maternity	As above	The draft scheme prioritises pregnancy and maternity as a protected characteristic.	WKEP Aim: Other actions as a service provider
Marital or Civil Partnership Status	As above	The allocations policy aims to treat all applicants equally irrespective of this status	WKEP Aim: Other actions as a service provider
Gender reassignment	As above	The allocations policy aims to treat all applicants equally irrespective of gender reassignment	WKEP Aim: Other actions as a service provider
Summary of impacts : (to be included in committee reports)	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 impact has been analysed and does not vary between groups of people.		

Equality Impact Assessment

	The decisions recommended through this paper will result in clearer definitions and transparency within the new Sevenoaks District Housing Allocations Scheme. The Scheme determines eligibility for, and the allocation of, social housing within the District. Social housing is owned by Registered Provider partners as well as other Providers, including Quercus Housing. The Scheme will provide greater opportunities for people with a genuine local connection and an identified housing need, including those in reasonable preference groups and with protected characteristics, to join the Sevenoaks District Housing Register, The Scheme ensures priority is given to those with the greatest housing need.			
Please tick the outcome of this assessment:	No impact	Adjust the policy	Continue the policy	Stop and remove the policy
Date assessment will be reviewed:	22/03/2022			

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Appendix 4

Sevenoaks District Housing Register Allocations Scheme

July 2022

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Index

1. Introduction
 2. Aims and objectives
 3. Local connection criteria
 4. Qualifying persons
 5. Ineligible as a result of immigration status
 6. Unacceptable behaviour
 7. Assessment of need - the banding system
 8. Medical and welfare priority
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 23. Keeping the register up to date
 24. Local Lettings Plans
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 26. Consideration of offers and refusals
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 28. Ineligible or disqualified from the register
 29. Inaccurate information provided
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 31. Equality and diversity
 32. Scheme Maintenance
- Appendix 1 - definition of Local Essential Worker

1. Introduction

This Scheme sets out the Council's priorities for how social housing in Sevenoaks District is let/allocated and the guidelines that determine entitlement and eligibility to join the Housing Register. This will supersede any existing and former scheme relating to the allocation of housing and is in accordance with the requirements of Section 167 of the Housing Act 1996 (as amended).

It also explains what help people can expect from the Council in meeting their housing needs and sets out the system and processes by which social homes are let and information on nomination agreements with housing owned and managed by housing associations (also known as Registered Providers) and other approved Providers.

If an applicant does not meet any of the priority criteria set out within this Scheme, they will be excluded from joining the Housing Register because they have no identified housing need for social housing. If an applicant's circumstances change, they will need to submit a new application.

The Council will consider all applications for social housing in accordance with this scheme, which sets out:

- who qualifies to be included on the register
- how to apply to get on the register
- how we determine an applicant's priority on the register
- how to bid for available properties
- how available properties are allocated
- how we keep the register up to date
- how applicants can seek a review of decisions made regarding the application assessment and allocation process

The demand for housing from people in need of social housing in Sevenoaks, or wishing to move to Sevenoaks, is significantly higher than the number of homes available. There is an insufficient supply of social housing owned by housing associations to offer a home to everyone who would want it, or even to everyone who needs a home.

This allocation scheme ensures that we allocate the limited number of social homes available as fairly as possible and to those in the greatest need. The scheme is designed to ensure we comply with our legal obligations and to support the objectives of the Sevenoaks Housing Strategy.

Some homes have a Local Lettings Plan applying or they may be located on a Rural Exceptions Housing Scheme. This means these homes may not be to those in greatest housing need.

2. Aims and objectives

The broad objectives of the scheme are to:

- to ensure we are letting properties in line with housing law
- determine the priority of applicants in a clear, transparent and consistent way
- ensure that homes are allocated fairly and to those in greatest need
- provide accurate and timely advice and information to allow applicants to make informed choices about their housing options
- create sustainable communities by the use of local lettings plans
- make the best use of the housing stock within Sevenoaks, working with our housing association partners to ensure that vacant homes are let quickly and efficiently
- to give applicants a choice of housing accommodation, or the opportunity to express preferences about housing accommodation, where this is reasonably practicable, by using choice-based lettings through Kent Homechoice

3. Local Connection Criteria

You will not be able to join the Housing Register if you do not have a local connection with the Sevenoaks District. A local connection under this scheme means:

- currently living in the District and have been resident for a continuous period of three years at the point of application. This does not include households placed in temporary accommodation under the homelessness legislation or Children Act 1989
- currently employed in the District, who's place of work is within the District and have been working within the District continuously for the last three years at the point of application
- are self-employed, where the majority of their work is within the District, and has been the case continuously for the last three years at the point of application*
- if we have accepted the main housing duty under the homelessness legislation (s193 Housing Act 1996)
- a serving member of the Regular Armed Forces or a former member within five years of discharge (or a bereaved or separated spouse or civil partner of such a member)
- a serving or former member of the Reserve Armed Forces within five years of discharge who needs to move because of a serious injury, medical condition or disability sustained as a result of their service

In exceptional circumstances, applicants will not need to demonstrate a local connection. This can include (but is not limited to) applicants who:

- have had a break in the period of continuous residence or employment due to circumstances beyond their control. For example, a temporary move to escape violence or threats of violence, or a temporary change to their usual place of work;
- are currently residing outside Sevenoaks District but need to move into the District to provide or receive significant and ongoing care or support to, or from, a close family member (i.e. children, parents or siblings, only). A care giver/receiver must currently live a minimum one hour's journey time away either by car or, if they do not have access to private transport, the shortest timetabled public transport route
- need to move to receive significant and ongoing care or support from regulated providers
- are at risk of violence or harassment (including domestic abuse or hate crime) and that risk would be substantially reduced by a move to a permanent home in the District
- are Sevenoaks residents temporarily displaced because they are currently residing in a supported housing or rehabilitation scheme outside the district
- are aged 55 years or over and have been assessed as suitable for housing within one of the district's designated older persons' housing schemes
- applicants who are unable to demonstrate a local connection because they are travellers who have been pursuing a nomadic lifestyle in accordance with their cultural tradition
- Different local connection criteria will apply to new social housing provided on Rural Exceptions Housing schemes and other schemes in rural parishes where local needs nomination arrangements have been approved by the District Council. Here priority will be given to applicants with a local connection to the host Parish. Full criteria is set out in the legal agreement applying to each scheme. Details of these schemes and the local connection criteria applying, can be obtained from the Housing Policy team.

4. Qualifying Persons

Qualifying persons, all 'qualifying persons', are eligible to have their application added to the Housing Register. Part VI of the Housing Act 1996 (as amended), confirms that the Secretary of State may prescribe who are or who are not, qualifying persons. Anyone aged 16 or above is able to join the Housing Register, unless they are ineligible or disqualified. You will be ineligible if you are a person the Government says cannot be on the list (this includes people who are subject to immigration control and do not have permission to be in the United Kingdom (UK), or whose immigration status does not allow them to benefit from government help)

5. Ineligible due to immigration status

The Government states that normally we will not be able to allocate social housing to persons who are not already social housing tenants and who need leave to enter or remain in the UK. This applies to all persons except British citizens or persons with a right to reside in the UK under the Withdrawal Agreement entered into between the UK and the EU.

If you need leave to enter or remain in the UK (regardless of whether you have leave) you will only be eligible to join the housing list if you are a person who falls into one of the following:

- recorded by the Secretary of State as a refugee
- granted Exceptional Leave to Remain outside of the Immigration Rules who is not subject to a condition of non-recourse to public funds (Indefinite Leave to Remain)
- granted unconditional and unlimited leave to remain in the UK, is habitually resident in the Common Travel Area (UK, Channel Islands, Isle of Man or Republic of Ireland) and who is not sponsored, or whose sponsor(s) have died
- granted Humanitarian Protection
- an Afghan citizen granted limited leave to enter the UK under paragraph 276BA1 of the Immigration Rules
- granted limited leave to enter or remain in the UK on family or private life grounds under Article 8 of the European Convention of Human Rights under 12 paragraph 276BE (1) or 276DG or Appendix FM of the Immigration Rules who is not subject to a condition of non-recourse to public funds
- habitually resident in the Common Travel Area and who has been transferred to the United Kingdom under section 67 of the Immigration Act 2016 and has limited leave to remain under paragraph 352ZH of the Immigration Rules
- habitually resident in the Common Travel Area and who has Calais leave to remain under paragraph 352J of the Immigration Rules (Effective from 1 November 2018.)
- habitually resident in the Common Travel Area and who has limited leave to remain in the UK as a stateless person under paragraph 405 of the Immigration Rules
- limited leave to enter and remain in the UK as the family member of a 'relevant person of Northern Ireland' by virtue of Appendix EU of the Immigration Rules

The Government also states that we cannot allocate housing to anyone unless they are habitually resident in the Common Travel Area, subject to certain exceptions for persons with rights of residence under the Withdrawal Agreement and persons who are in the UK as a result of being deported or expelled from another country.

The Government also states that we cannot allocate housing to a person whose only right to reside in the UK is based on their status as a jobseeker or an initial three months' right of residence, or is a derivative right of residence based on being the principal carer for a British citizen.

The Council is not allowed to allocate housing to an ineligible person by granting them a joint tenancy with another eligible person.

These rules do not apply to a person who is already a Secure or Introductory Tenant or an Assured Tenant of a Private Registered Provider. In that case, you are free to apply for a transfer regardless of your immigration status.

The detailed provisions of these rules are complex and the above is only a summary of them. They are also subject to change by statutory instruments issued by Government from time to time.

6. Unacceptable Behaviour

Unacceptable behaviour is behaviour that is sufficiently serious enough for us to consider you to be unsuitable to be a social housing tenant. You will not usually qualify to be included on the Housing Register if you or a member of your household, has behaved in an unacceptable manner in the preceding five years on the date of your application.

Examples of unacceptable behaviour include, but are not limited to the following:

- eviction or otherwise lost accommodation as a result of anti-social behaviour or rent arrears
- conviction of criminal offences in or near your home and we are satisfied you still pose a threat to neighbours or the wider community
- threatening or aggressive behaviour towards our staff or contractors
- racial, sexual, homophobic harassment.

The decision to disqualify you will be made by the Housing Register Panel. They will take into account any supporting information from you, your current or previous landlords, and the police, the Community Safety Unit, Probation or any other relevant professional body

7. Assessment of Need - the banding system

To be as fair as possible in deciding who should be offered social housing, we use a banding system to determine priority for re-housing. Assessment is based on an applicant's housing circumstances, suitability of the property and any long-term medical problems.

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Persons eligible to join the housing register will have their application assessed by the District Council's Accommodation Team and placed into one of four bands, in accordance with the 'fair and flexible' statutory guidance. The bands are referred to as 'A, B, C and D'. Applications in band A will be given the highest priority for re-housing, band B the next highest, then C with band D applicants having the lowest priority.

All references to "transfer applicant" means, existing tenants of a housing association partner/Provider who are currently living in social housing the District.

Band A

Applicants in Band A have the highest priority for social housing. However, other housing options may still need to be considered so that Applicants can move more quickly and the Housing Advice Team will discuss this with you.

This band includes the following:

- Those with an urgent need to move as their current accommodation is unsuitable for their medical or disability needs and due to this they are unable to be discharged home from hospital or other clinical or respite facilities (e.g. "bed blocking");
- Where an applicant has a terminal illness and the current accommodation is unsuitable for their medical needs and end-of-life care or cannot be suitably adapted (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council's Private Sector Housing team);
- Where an applicant or a member of their household has an urgent medical condition or there is an emergency medical situation, and the current home is not suitable for their medical needs or is not capable of being adapted to be able to meet these needs (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council's Private Sector Housing team);
- Transfer applicants currently living in a designated wheelchair accessible home or a home with significant and useable adaptations (as assessed by the landlord housing association/Provider) but those adaptations are not required by any member of the household;
- Transfer applicants who need to move because their home is scheduled for redevelopment;
- Applicants who have been assessed by the Housing Register Panel as needing a move under the National Witness Mobility Programme (NWMP) or other similar vulnerable person protection scheme;

- Where the Private Sector Housing Team have assessed there are one or more Category 1 hazards (as assessed under the Housing Health and Safety Rating Scheme) or other severe property conditions that impose an imminent risk of harm to the occupants and remedial action is considered unreasonable or impractical for cost or other reasons;
- Applicants who have been assessed by the Housing Register Panel as needing a move due to an immediate, urgent or exceptional need;
- Where there is a rehousing obligation because a demolition, prohibition or compulsory purchase order has been served in respect of the applicant's current accommodation;
- Transfer applicants who are looking to downsize and move to a home with at least one bedroom fewer than in their current home;
- Applicants who have been assessed as requiring 3 more bedrooms to meet the needs of their household and are classed as [statutory overcrowded](#);
- Serving members of the Armed Forces who need to move because of a serious injury, medical condition or disability sustained as a result of their service;
- The bereaved spouse or civil partner of a member of the Armed Forces leaving Services Family Accommodation following the death of their spouse or partner;
- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and who have been placed by the District Council in nightly paid accommodation for a period of at least 6 months (or other period that may be set by the District Council) and where no suitable accommodation (including private sector accommodation) has been identified by the Accommodation Team during this period in order to discharge the council's homelessness duty;
- An applicant who is being made redundant from, or is retiring from, a job that includes tied accommodation and their departure from the job means they are required to give up their tenancy.

Band B

Applicants in Band B have a high priority but are still likely to have to wait some time to be re-housed. Alternative housing options should therefore discussed with the Housing Advice Team.

This band includes the following:

- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and they have the following additional needs:
 - Long-term health conditions that are unlikely to improve as assessed by the Housing Register Panel,
 - Households where there is a need to place them in Sevenoaks due to Child Protection Plans under Children Act 1989,
 - Households with children who have an Educational Health and Care Plan;

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- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and who have been placed in temporary accommodation other than nightly paid accommodation, for a period of at least 6 months (or other period that may be set by the District Council) and where no suitable accommodation (including private sector accommodation) has been identified by the Accommodation Team during this period in order to discharge the council's homelessness duty;
- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 and this duty has been in existence for a period of at least 12 months (or other period that may be set by the District Council), who have not been placed by the District Council in any form of temporary accommodation, and where no suitable accommodation (including private sector accommodation) has been identified by the Accommodation Team during this period in order to discharge the council's homelessness duty;
- Where an applicant or a member of their household has a high medical condition and the current home is not suitable for their medical needs or is not capable of being adapted to be able to meet these needs (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council's Private Sector Housing Team);
- Where the Private Sector Housing Team have assessed that there are one or more Category 1 hazards (as assessed under the Housing Health and Safety Rating Scheme) which are having a negative impact on the medical, disability or welfare needs of a member of the household and remedial action is considered unreasonable or impractical for cost or other reasons;
- Applicants living in supported housing schemes within the District (or temporarily displaced to a supported housing scheme in another borough or district) who have been assessed as ready to move on into independent living;
- Young people (16 - 25 year olds) in care accommodation and considered ready to move out of care by KCC Social Services;
- Young people (16 -17 year olds) who are threatened with homelessness.

Band C

Applicants in Band C can expect to wait a long time to be re-housed. They should proactively look at other housing options to resolve their housing difficulties;

- Homeless applicants where we have accepted the full rehousing duty to secure accommodation under part 7 of the Housing Act 1996 but who are not assessed as having additional needs;

- Applicants who have been assessed as requiring another bedroom(s) to meet the needs of their household and are classed as [statutory overcrowded](#);
- Verified rough sleepers who have a local connection to Sevenoaks;
- Where an applicant or a member of their household has a medical condition (“other condition”) and the current home is not suitable for their medical needs or is not capable of being adapted to be able to meet these needs (such suitability/capability is as assessed by KCC Occupational Therapy and/or the District Council’s Private Sector Housing Team);
- Households where one or more members are awarded a priority on medical, disability or welfare grounds, as the current housing conditions are having a negative impact on the medical, disability or welfare needs of a member of the household This includes where care is given or received;
- Tenants occupying HM Forces service family accommodation who are threatened with homelessness because they have been served with a valid notice to vacate their tenancy (usually at least three months). *NB. this Band level is under review to ensure it fully complies with the Sevenoaks District Armed Forces Community Covenant*

Band D

Applicants in Band D can expect to wait a very long time to be re-housed, unless they are applying for older person’s accommodation. They may wish to look at other housing options to resolve their housing difficulties;

- Homeless applicants who have a housing need but where we do not owe a duty to secure accommodation, such as:-
 - non-priority homeless households or
 - households assessed as having become homeless intentionally;
- Applicants who meet none of the criteria in Bands A -D above, but are eligible, only, to be considered for properties on rural exception sites or accommodation in rural parishes where local needs housing nomination arrangements have been agreed by the Council;

*Explanatory note: Applicants will only be eligible to bid for the above categories of **rural housing** and then only for vacancies that arise in their local parish/parishes. They will not be eligible to bid for any other social housing. Their inclusion on the Housing Register means the District Council does not need to hold a separate register for local needs rural housing. We know that applicants and Providers, as well as our own Housing staff, value the benefit and fairness of a single point of application for social housing.*

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- Applicants assessed as needing designated older persons' housing who are not currently residing in such accommodation and who may, or may not have, a local connection to Sevenoaks District.

*Explanatory note: A local connection is not necessarily required for **designated older persons' housing**. This is to ensure there is a ready pool of eligible applicants for whenever vacancies arise. Traditionally, vacancies occur more frequently in older persons' housing and lettings tend to take longer. Wherever possible, the District Council wants to ensure vacant homes are re-let as quickly as possible, as this makes the most efficient use of the social housing stock.*

8. Medical and Welfare Priority

The level of medical need, urgent, high or other, will be assessed and determined by the Accommodation Team. The assessment will be based on:

- **Band A (Urgent medical need):** A person will be awarded Band A if the household contains one or more members with a currently life-threatening illness or disability, and whose housing circumstances are affecting their health very severely.
- **Band B (High medical need):** A person will be awarded Band B if one member of the household or more has a serious illness or disability and their present living conditions are affecting their health to a marked degree and where a move is recommended to improve the health of the individual.
- **Band C (Other medical need):** A person will be awarded Band C if one or more of the household has an illness or disability of a moderate nature which is affected adversely by their living conditions, and where a move is recommended to improve the health of the individual.

Our assessment is not based on the nature or severity of any medical condition or disability but is focused on the direct impact that the current housing has on any condition or disability, and whether this could be alleviated by a move to a more suitable home.

For example, priority may be awarded if you have mobility issues which make it difficult for you to climb stairs and you are unable to access your bedroom or bathroom facilities on a different floor as these are only accessible by stairs. In this situation, you would benefit from a move to a property that provides level living. We will only assess your priority on medical and/or welfare grounds if there is evidence that your current housing impacts directly on your medical condition, disability, or welfare. We will not usually assess your priority on medical or welfare grounds if your household is already in Band A as an assessment cannot increase your priority.

Priority on medical or welfare grounds is assessed based on the information you submit. If you consider that anyone in your household has a medical condition that is adversely affected by your current housing, you must provide independent verification. This may be from your GP, Nurse, Hospital Consultant, Occupational Therapist or other health care professional. In welfare cases you should provide independent verification of your circumstances from your Social Worker, Support Worker or other professional involved in your case. For medical cases we may ask you to provide further evidence or refer your case for independent medical advice. For welfare assessments we may ask you to provide further evidence or (where appropriate) we may make a joint assessment with Social Services, or an appropriate support agency.

We assess your priority by looking at your current housing. If it meets the medical and welfare needs of you and all members of your household there will be no change in your housing priority. We look at whether your current housing makes a medical condition or disability worse, and whether it is possible to make relevant adaptations, such as providing a stair lift or wet room to your home. In mobility cases we look at the severity of your difficulties in relation to your property. Factors such as the number of steps inside and leading to a property, width of internal doorways and circulation space, and whether you have a lift or ramp may be relevant. The assessment will consider whether a move to more suitable housing would either improve the medical condition or substantially improve your quality of life. If you have medical needs, but a move would not significantly improve the situation, there will be no change in priority based on medical grounds.

Overcrowding may impact on the health and well-being of some or all members of your household and/or the needs of any dependent children. This is taken into account in the banding priority awarded due to overcrowding, and usually no further priority will be awarded.

Similarly, when assessing priority on welfare grounds we will consult with other people involved in your care, as this may identify ways to help you stay in your current home with appropriate ongoing support. If this resolves your support needs, you will not be awarded any priority on welfare grounds. Otherwise, we look at whether your needs are made worse by your current housing. If so, we will consider whether a move to more suitable housing would improve things for you. If you have welfare needs, but a move would not significantly improve the situation, there will be no change in priority on welfare grounds.

If you need to move into the district in order to provide or receive significant and ongoing care or support to or from a close family member (children, parents, or siblings, only) you will need to meet to satisfy the conditions given in section 11. You will not normally be eligible to join the housing register if you want to move within the district to provide or receive significant and ongoing care or support to or from a close family member.

If you are currently living in supported housing (including refuge) and have been assessed by the support provider as ready to move on into independent living, you will usually be awarded Band A priority on welfare grounds.

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If you are experiencing difficulties in accessing your home due to non-medical matters such as carrying children, shopping, prams or pushchairs on external or communal stairs or do not have access to a private garden, you will not usually be awarded any change in priority based on medical or welfare grounds.

9. Suitable Size of Accommodation

Generally, social housing is offered in line with the following guide:

Table of suitable size accommodation depending on household

Household composition	Type and size of home
A single person	<ul style="list-style-type: none">▪ Bedsit▪ Studio flat▪ One bedroom flat/house▪ Or sheltered accommodation if appropriate
A couple	<ul style="list-style-type: none">▪ One bedroom flat, house or bungalow▪ Or sheltered accommodation if appropriate
Two adults (or couple with verified need for separate bedrooms)	<ul style="list-style-type: none">▪ Two bedroom flat, house or bungalow▪ Or sheltered accommodation if appropriate
A couple or single parent with one child	<ul style="list-style-type: none">▪ Two bedroom flat, house or bungalow
A couple or single parent with two children	<ul style="list-style-type: none">▪ Two or three bedroom flat, house or bungalow (depending on the age/sex of children)
A couple or single parent with three or more children	<ul style="list-style-type: none">▪ Three or four bedroom house (depending on the age/sex of children)

Exceptions to this guide, depending on individual circumstances, which include (but are not limited to) applicants where:

There is a medical recommendation for a bigger home for example:

- To meet a medical or disability need for an extra bedroom
- Accommodate a carer
- The available home has special adaptations which you need and there are no other applicants of the correct household size available that need those adaptations

Other reasons include:

- The home is offered as the result of an emergency
- The home is offered to a homeless applicant as temporary accommodation
- The home is offered to a downsizing tenant who has requested an additional bedroom to their assessed need which has been agreed by the Housing Register Panel
- The home is offered under the specific terms of a Local Lettings Plan

Bungalows will usually only be allocated to households where the applicant or a member of their household has been assessed as needing single level living accommodation.

10. Shared responsibilities for children

We acknowledge that many separated or divorced parents continue to share responsibilities for their children including providing a home for them. Where any dependent children live with you some of the time and at other times with their other parent/guardian at a separate address, we will assess whether your address is their main home so that they can be included as members of your household.

We will consider the following:

- the financial support you receive including Child Benefit, Universal Credit/tax credits, disability benefits (if appropriate) and maintenance from their other parent/guardian
- any Family Court Order(s) under the Children Act (1989) in respect of parental responsibility, contact or residency
- supporting evidence from Social Services in respect of fostering, guardianship or adoption placements. Whether the children currently reside with someone else for all or part of each week

Regardless of the amount of time that your children spend with you, if we decide that their main home is not with you, they will not be included on your Housing Register application; and they will not be considered when assessing overcrowding/under-occupation or the size of property (number of bedrooms) that you can apply for or be offered under this scheme.

11. Carers

A carer is someone who looks after and supports a partner, friend, relative or neighbour who would not be able to manage without their help. This could be due to age, physical or mental illness or disability. It does not mean a professional care worker or personal assistant who gets paid for their work.

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In terms of this Scheme, a care giver/receiver can be only be a partner/spouse, sibling or child. A care giver/receiver must currently live outside the District and be a minimum of one hour's journey time away by car or, if they do not have access to private transport, the shortest timetabled public transport route.

To be considered for Band C priority due to care needs, the care giver must be in receipt of Carer's Allowance and the care receiver must be in receipt of at least one of the following;

Disability Living Allowance (Care component);

Personal Independence Payment (Daily living component);

Attendance Allowance;

Industrial Injuries Disablement Benefit;

Employment and Support Allowance.

If you have requested to be re-housed in order to provide a bedroom for your carer, this will be considered by the Housing Register Panel who will take into account the following:

- whether your care needs have been assessed as including overnight support
- whether you have been awarded benefits because of illness or disability including
- the level of care that you need and whether this is likely to change in the future
- the ability of your carer to provide the level of care required
- your current accommodation, and where your carer currently resides

12. Exceptional Priority

To assist the national police force to tackle serious crime and to support witnesses in the legal process, the council works in partnership with colleagues in the National Witness Mobility Programme (NWMS) and will, as required, accept referrals from this source.

Such cases will have been assessed and verified by the NWMS managers and referrals will only be accepted with the agreement of the Service Manager (Housing Options). There are confidentiality considerations for such cases and no personal information will be taken until the applicant accepts a direct offer of accommodation in the district. Any proposed offer will be checked for suitability by the NWMS before the offer is made and details of successful lettings may not subsequently be made available to the public.

13. Direct Lets

Certain properties are excluded from choice-based letting (bidding) and are allocated by making a direct offer to an applicant. This includes (but is not limited to) the following applicants:

- with an immediate need to move on health or welfare grounds, where the current home is unsuitable, or where there is an immediate threat of violence
- who are subject to current multi-agency public protection arrangements (MAPPA), and who pose a very serious risk to the community, where the type or location of properties that are suitable may need to be restricted
- who have been temporarily decanted from their current housing to enable demolition or redevelopment work and who need to transfer to a suitable property within the new development
- with a need for a bespoke adapted/wheelchair accessible home which is to be provided within a new development (as agreed by the Housing Register Panel)
- to discharge our duty to provide accommodation to some homeless households under the Housing Act 1996 (as amended)

Wherever possible the direct letting of a property will match the applicant's assessed need in terms of number of bedrooms needed or floor level, and any essential requirements on health and welfare grounds. Other factors such as non-essential preferences regarding the location or type of housing will not normally be considered.

14. One offer/refusals

Except for applicants seeking re-housing into designated older persons housing or for social housing tenants who are downsizing, only one direct offer of housing will be made which applicants will be expected to accept.

Homeless applicants will only receive one suitable offer of accommodation and this will be the final offer. The offer can be anywhere in the District unless there are unsafe areas that have been predetermined. Auto bidding on Kent Home Choice is automatically enabled for all homeless applicants. Any successful bids by this method will count as the final offer of accommodation. An offer of suitable accommodation, which is arranged by way of a nomination to a housing association or private sector property, will be considered to be a reasonable offer and will discharge the Council's homelessness duty.

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If an offer is refused, the reasons for refusal will be considered by the Housing Register Panel who will decide if the property offered was suitable. If the property offered was unsuitable, then one further offer will be made. However, if the property offered was suitable then no further allocation will be made, and the applicant will be removed from the Housing Register and disqualified for 12 months.

15. Determining Priority

Assessment and Priority List Date

We assess all of the information you provide to support your application and may ask you to provide further evidence to support your application.

If you are eligible and not disqualified, the two main factors that determine priority on the register are your assessed need (Bands A to D) and your priority date. Your priority date will usually be the date that your online application is verified, unless your application is rejected if you fail to provide the information we need to assess it within 28 days of applying.

Where there is a subsequent relevant change in your circumstances that affects your priority band assessment, your priority date will usually be changed to the date we were notified of the change. We will email to tell you whether or not you have been included on the register. If you have been included, we will tell you the size of property you are eligible to bid for and in which priority band you have been placed. You have the right to request a review of the facts of your case that we have used in this assessment.

You must tell us of any change in your circumstances within 14 days of the change. We will email you to let you know if the change affects your level of housing need and/or your priority band. The banding reflects broad levels of housing need, so some changes in your circumstances may make no difference to the band you are in. However, sometimes a significant change in circumstances, such as a move to another address, the birth of another child, a change to your household income or savings or a substantial change in mobility may result in a reassessment of your priority. Your application will usually be suspended and you will not be able to bid for any properties until you have provided enough written evidence to allow us to verify the change and reassess your priority, regardless as to whether your priority banding actually changes.

Your household will be placed in the appropriate band according to its highest need, not the accumulation of its needs. For example, if you are awarded priority on the grounds of overcrowding and are lacking two or more bedrooms, you will be placed into Band B regardless of whether you also have another need such as a non-essential medical or welfare reason for moving.

Overcrowding/Under Occupation

We assess overcrowding and under-occupation by comparing the number of bedrooms in your home against your household's needs. You will be assessed as needing one bedroom for the following:

- Every adult couple
- Any other adult aged 18 or over
- Any two children of the same sex aged under 18
- Any two children under aged 10
- A carer (or team of carers) who does not live with you but provides you or a member of your household with regular overnight care

You will be assessed as needing an extra bedroom if:

- You have a disabled child who is unable to share a room with a sibling
- You are an approved foster carer whether or not a child has been placed with you or you are between placements (as long as you have fostered a child, or become an approved foster carer in the last 12 months)
- You have adult children in the Armed Forces (but who continue to live with you) who will be treated as continuing to live at home, even when deployed on operations
- A member of your household is temporarily absent from your home because they are attending a full time University or higher education course.

A bedroom is defined as any room intended to be used as a bedroom, in line with what is stated on any tenancy agreement and to reflect the level of rent charged. If your current home has two separate living/reception rooms it is probable that one of these could be considered as suitable for use as a bedroom.

For the purposes of assessing overcrowding:

- Two children of the same sex would be expected to share a bedroom until the eldest reaches 18 years of age
- Two children of the opposite sex would be expected to share a bedroom until the eldest reaches 10 years of age
- A couple or single parent would not be expected to share their bedroom with a child
- A room measuring less than 50 sq. ft. (4.65 sq. m) would not be treated as a bedroom.

16. Property Condition

If you rent your current home from a private landlord and you state that your reason for seeking social housing is due to problems with the condition of your home, a member of our Private Sector Housing team will contact you and your landlord or managing agent responsible for the property. You must cooperate with

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this and any subsequent property inspection that may be required. No priority will be awarded if you withhold your consent to allow us to contact your landlord or prevent works being carried out, for example by refusing to let contractors into your home to undertake the works.

If a visit is determined necessary by the Private Sector Housing team, they will inspect and assess your home using the Housing Health and Safety Rating System (HHSRS). We use this to identify and categorise any hazards to health and safety. A crowding and space hazard is included within the housing needs assessment of overcrowding and, if present, no additional priority will be awarded under property condition grounds.

Band A priority will only be awarded to applicants who currently occupy a property which has at least one Category 1 hazard (excluding crowding and space) where the conditions present an immediate threat of serious injury or are life threatening and where remedial action is considered unreasonable or impractical for cost or other reasons.

Examples of where remedial action is considered unreasonable or impractical is where:

- Work cannot be carried out to remedy a serious hazard with the applicant in residence and no alternative accommodation is available to the applicant to assist in progressing remedial works.
- The risk from the hazard in the property is greater because of being an elderly person or having a young child but the property would be relatively safe for occupation by others.

Band B priority will only be awarded to applicants who occupy a property which has at least one Category 1 hazard (excluding crowding and space) where:

- The hazard(s) identified pose a threat to the health and wellbeing of the occupants but where there is no immediate danger or it is not life-threatening, and remedial action is considered unreasonable or impractical.
- You do not have access to one or more of the basic facilities: bathroom, kitchen, inside toilet, cold or hot water supplies, or gas/electricity and this cannot be remedied within a reasonable timescale. (This does not apply if you live in shared accommodation and share facilities with another household.)

Any priority awarded on the grounds of property condition will be removed if the necessary remedial works are completed before you are offered social housing.

17. Financial Criteria

If you own or jointly own a property, (including under a shared ownership arrangement) whether or not you currently live there, you will not usually be included on the Housing Register. Homeowners who need to move on medical or welfare grounds or grounds relating to a disability may be considered for designated older persons' housing, adapted or other suitable accommodation in accordance with their assessed needs where their needs cannot be met from the proceeds of the sale of the current property or their current income and capital, including savings.

If you have a total household income or capital (including savings) above the thresholds described below, you will not usually be included on the Housing Register. The current limits are for households:

- Without dependent children with a total gross annual income of up to £40,000
- With dependent children with a total gross annual income of up to £56,000
- Total capital assets or savings of £16,000 or more.

Current payments of the following are disregarded as income for the purposes of this assessment:

- Disability living allowance
- Attendance allowance and any benefit treated as attendance allowance
- Personal Independence Payments (PIP)
- Armed Forces Independence Payment
- War pensioner's mobility supplement
- Payments in compensation for non-receipt of the above

The financial limit do not apply to homeless persons to whom the Council owes the main housing duty under section 193 of Housing Act 1996 or transfer applications from Secure Tenants/Assured Tenants of housing associations.

If you exceed the current income/savings limits and are unable to join the housing register, you may wish to consider alternative affordable housing options. For information on First Homes and Help to Buy options, such as shared ownership, please click [here](#).

18. Outstanding housing related debt

It is essential for our partner housing association landlords and private sector landlords to collect rent and other housing-related debt. Applicants who have an outstanding housing-related debt owed to a housing association or a private sector landlord (including but not limited to rent arrears, council tax arrears, Housing Benefit or Universal Credit over-payments and rent deposit scheme arrears), will usually be disqualified from joining the Housing Register until they have entered

into a repayment plan and have made continuous repayments in accordance with the plan for a minimum period of six months.

Once their application has been accepted onto the Housing Register, repayments should continue to be made on a regular basis until the debt is cleared. If the applicant breaches their repayment plan, they will be suspended from receiving any offer of accommodation. If the applicant is successful in bidding for a social home, any outstanding debts must usually be cleared in full before a property will be allocated.

In some cases where an applicant would otherwise be offered accommodation but for such a debt and where it is considered that although regular repayments are in place there is no reasonable prospect of them repaying the debt within the time frame required because they are unable to gain employment because of physical or mental illness, learning or physical disability, or are considered to be unable to adequately manage their finances due to health or disability reasons, the offer may still be agreed. This decision will be made by the Housing Allocations Panel.

19. Allocations exceptions

The Council has nomination rights to housing association properties within the District. These are available to let on an Introductory Tenancy or Assured Tenancy and include flexible and/or fixed tenancies. The following are not considered to be an allocation under this Scheme:

- Statutory right of succession to a tenancy on the death of the original tenant.
- When an introductory tenancy becomes a secure tenancy at the end of the probationary period.
- Where a Court makes a decision about a tenancy (such as an order under the Children Act).
- Where we let a property directly to someone as temporary accommodation only. This may include people who need to move out for a while whilst refurbishment is carried out (temporary decant), but does not include people who need to be moved out of their home permanently.
- Where the tenant is returning to the property after refurbishment or improvement.
- Mutual exchanges, unless these relate to Rural Exceptions Housing or accommodation in rural parishes where local needs housing nomination arrangements have been agreed by the Council
- Tenancies granted under section 39 of the Land Compensation Act 1973 or sections 554 and 555 of the Housing Act 1985.
- Allocation of pitches on traveller sites within the district

20. Making an application

Everyone who wants to be considered for inclusion on our Housing Register must carry out the application process set out below:

- Follow instructions on how to apply for housing on the online application form.
- Provide original documents to verify your identify and current housing circumstances
- Complete any supplementary forms that we may send or answer further questions that we ask you.

This process ensures that all applicants are assessed in a transparent and consistent manner. That we have all the information needed about your household and current circumstances to determine whether you qualify to join the Housing Register and if so, what priority banding is appropriate.

You can complete an assessment form to record your household's housing needs if you are 16 years of age or over. You can be included on only one application for housing in this district. This can either be your own personal application or you can be included as a household member in another person's application.

You must complete the assessment form fully and accurately. We will use it to decide your priority on the Housing Register so that housing can be allocated fairly on the basis of the greatest need. We will carry out home visits and interviews to confirm housing needs.

If you are between 16 and 18 years of age, before you are offered social housing, your ability to manage a tenancy will be assessed, usually via a referral to Social Services or other support services, to identify any need for support. You will need a guarantor, usually your parent, legal guardian or other relative as any tenancy granted will be held in trust until you reach 18 years of age.

You are required to sign declarations to confirm that you:

- Have provided true, accurate and complete information
- Will notify us of any change in your circumstances within 14 days of the change.
- Understand that information given on the assessment form will be shared with housing association landlords, other council departments, data matching companies and other relevant parties.
- Consent to us making relevant enquiries to verify the information given on the assessment form.
- Consent to the disclosure of relevant information by third parties to us, or by us to third parties.
- Understand that information provided may be used to help in the detection and prevention of fraud.

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Who can be included on your application

You can include members of your household who are currently living together with you, including:

- Your partner, whether you are married, in a civil partnership or cohabiting
- You and your partner's dependent children under the age of 18, including adopted children
- Relatives, which under this Scheme means adult children, parents or sibling, who have a need to live with you for which evidence is provided.
- Someone who currently lives with you as your caregiver.

We will also consider including partners, carers and dependents who are not currently living with you if you are:

- No longer able to live independently because you need care and support that they can provide (or they need care and support that you can provide) and you are unable to live together as your current accommodation does not meet any needs arising from a disability.
- Unable to live together as neither you nor any other member of your household have accommodation available which is large enough to accommodate your whole household together
- Where you are applying to set up an independent home for and your household

Advice and information about your application

If you are homeless or threatened with homelessness, you should contact housing@sevenoaks.gov.uk for immediate advice and assistance. Further information can be found on our website www.sevenoaks.gov.uk.

Advice and information about your application to join the housing register can be obtained by emailing accommodationteam@sevenoaks.gov.uk. All applicants accepted onto the Housing Register are entitled to see their registration and receive a copy of their application. An applicant also has the right to request general information to assess how their application is likely to be treated under this housing allocation scheme and whether and when housing appropriate to his/her needs is likely to become available.

Waiting times depend on number of factors:

- Your personal circumstances including your priority banding and the size and type of property needed to meet your household's need

- The number of properties available for letting
- the number of bids placed on each property
- Changes in the law, regulations or guidance, or the rules of this Housing Allocation Scheme.

Only a very general indication can be given as to how long an applicant may have to wait to be successful by using historical allocations data. There is no guarantee of housing by a certain date regardless of the priority band awarded. Households with a relatively low need are likely to wait a very long time and many have no realistic prospect of receiving an offer of social housing.

21. How to Bid

Our housing association partners are members of Kent Homechoice which is a partnership of local councils and housing associations who allocate housing throughout Kent via a Choice Based Lettings (CBL) system.

CBL enables applicants to apply for suitable housing in their district via an online bidding process. After a property is let, feedback about the number of households that made a bid, the priority band of the successful applicant, and their priority date is available to view to bidders on Kent Homechoice. This helps applicants to understand the availability of suitable properties, their likelihood of success when applying and to gain an indication of the time they could be waiting.

Using CBL is in accordance with the District Council's partners' policies of offering people who are to be allocated housing accommodation; a choice of housing accommodation, or the opportunity to express preferences about housing accommodation, where this is practicable.

When your application has been accepted onto our Housing Register you will receive confirmation of your priority banding and details of how to access the Kent Homechoice CBL bidding process. All housing offered by our partners within the district is advertised at [Kent Homechoice](#) and each property will be available for applicants to place bids for a period of five calendar days.

The advertisements show photographs and give basic details of the properties including:

- The area
- Number of bedrooms
- Floor levels
- Mobility levels
- Weekly rent
- Service charges
- Any pet or age restrictions
- Any specific criteria e.g. Rural Exception Housing and/or Local Lettings Plans

Agenda Item 12

There are no restrictions on the number of properties that you can bid for and you can place bids on any property that meet your household's needs as and when they are advertised.

If you prefer, we can set up auto-bidding on your account which means that a bid will automatically be placed on all properties that meet your needs by the close of bidding so that you will be included on all of the relevant shortlists and do not miss any opportunities to be offered affordable housing. Auto Bidding will be set up for all homeless applicants.

Certain properties will not be advertised under CBL or will only be open for bids from certain applicants, including direct lets. Properties that have been adapted for wheelchair users and those within designated older persons housing schemes, are usually offered only to those who would benefit from them. Properties made available under local lettings plans, Rural Exception Sites or accommodation in rural parishes where local needs housing nomination arrangements have been agreed by the Council, will only be open to bidding from applicants meeting the criteria set.

22. How homes are let/allocated

After an advertisement closes on Kent Homechoice, a shortlist is produced for each property. In most cases, this ranks all the bids placed in priority order, with applicants in Band A first, Band B second and so on. Within each band, the order of bids is ranked by the applicant's date of registration on the housing register, starting with the earliest.

Different shortlisting rules apply to Rural Exception Sites or accommodation in rural parishes where local needs housing nomination arrangements have been agreed by the Council. In these cases, the applicant's local connection to the host Parish is considered first, followed by Band order and date of registration.

If two or more applicants share the same priority date within the priority band, the system will place them in order of priority. The applicant at the top of the shortlist will be verified to check that the information they have given is correct and that the property is suitable. Once verified, the highest priority applicant will usually be offered the property, subject to any additional criteria that apply such as a local lettings plan, age restriction or suitability. If an applicant is not verified, does not respond to an offer or the offer is refused, the property will be offered to the next applicant in the shortlist, and so on, until the property is successfully let.

The relative position of bidders on the shortlist for a property may change between the close of bidding and when the property is offered. This will only happen where there is a change in the priority band awarded for one or more bidders on the shortlist, this would normally be as a result of the verification process. In such cases, the property will usually be offered to the applicant with the highest priority at the time the offer is made.

If there are no successful bidders the property will usually be re-advertised or it may be offered as a direct allocation to another applicant on the Housing Register. Once you are shortlisted and nominated for a property you will not be considered for any other properties that you have placed a bid on.

In exceptional circumstances, we may decide to restrict bidding and allocations to certain categories of applicant, e.g. homeless households. This restriction will be time limited and our website will show how long it will remain in force before it is reviewed. The decision to impose restrictions will be made by the Portfolio Holder for Housing & Health.

23. Keeping the register up to date

We will contact you once a year, on or near the anniversary of the date you were first registered to check whether you wish to remain on the register for another year. We will also remind you to tell us about any changes in your circumstances. If you fail to respond, or fail to provide any further information we ask for within 28 days, we will assume that you no longer wish to be on the register, and your application will be removed. If you notify us of a change of circumstances, you must also supply evidence of the change within 28 days so we can reassess your application.

Your application will be removed from the Housing Register if you:

- Accept an offer of accommodation made from the Housing Register
- Accept a private sector tenancy, including when we have provided financial assistance by way of a rent deposit and no longer have a qualifying housing need
- Do not respond to the annual review
- Do not respond to correspondence from the Council asking you to provide information
- Are no longer eligible to be included on the register
- No longer wish to be re-housed
- Have left temporary accommodation that we arranged for you and we do not have your forwarding address
- Have moved without notifying us of your new address

24. Local Lettings Plans

National and regional policies encourage new housing schemes to be mixed tenure, catering for a range of needs and aspirations. Alongside this we may use Local Lettings Plans to make social housing available to a wider range and variety of households, rather than concentrations of those with particular support needs, to contribute towards balanced and sustainable communities. This may include giving priority to Local Essential Workers (see Appendix 1)

Local lettings plans will set out the criteria and priorities for letting homes within a specific housing development or area. Local Lettings Plans have to be approved by Portfolio Holder for Housing and Health and confirmed by the Head of Housing and the partner housing association/Provider.

25. Housing Register Panel

The Housing Register Panel comprises a group of three or more officers with at least one representative from the Accommodation Team, the Housing Options Team and an independent senior manager from the District Council who is not connected to Housing Services. They will meet on a regular basis to make and review decisions. The Panel will normally be chaired by a senior manager who will be responsible for notifying the applicant of the outcome.

The panel may also invite other relevant partners to attend, including but not limited to, the Community Safety Team and partner housing associations landlords. There is no right to review a decision made by the Housing Register Panel.

26. Consideration of offers and refusals

After the shortlisting and checking processes, the successful bidder will be contacted to arrange for them to view the property and attend a verification interview. If you are offered a home, then you would normally be expected to accept or refuse it within 24 hours of the viewing.

If you refuse an offer, your application will be removed from the Housing Register and you will be disqualified for 12 months. See section 14 for more details.

If you feel the property you have been offered does not meet your needs, you can ask for a review as to the suitability of the property and you will need to provide detailed reasons for your refusal.

Your request will be considered by the Housing Register Panel who will consider the suitability of the offer in accordance with your assessed needs taking into account (but not limited to):

- The size, floor level, space and arrangement of the property, and whether it meets the housing needs of the household
- Any medical or welfare grounds for re-housing
- Any risk of domestic or other violence.

We will not hold the property for you during the review period; it will be immediately re-offered to another applicant and you will not receive any further offers during this time. If the review confirms the property was suitable your refusal will result in your application being removed from the Housing Register and you being disqualified for 12 months. If your reasons for refusal are accepted by the Housing Register Panel, and the property offered is considered to be unsuitable for your needs you will be able to continue bidding without any penalty.

27. Reinstatement of exceptional cases

In exceptional circumstances the Council may reinstate applications which have been disqualified or suspended for a particular reason. Applicants should write to the Housing Register Panel who may reinstate the applicant or make an offer if they are satisfied, and it can be proved that disqualification from the Housing Register would cause exceptional hardship to the applicant and their household. There will be no further right of review of the decision of the Housing Register Panel.

The effect of a decision to reinstate a disqualified application on the grounds of exceptional hardship will be that the application is treated as having been made on the date it was originally made, not the date on which it was reinstated.

28. Ineligible or disqualified from the register

We will write to you to notify you if we decide that you are not eligible or disqualified from the housing register. You have a right to review the decision, details of how we carry out the review can be found at Section 30 of this Scheme.

29. Inaccurate information provided

The Council is under a duty to protect the public funds it administers and to this end may use the information you provide for the prevention and detection of fraud. It may also share this information with other Council departments, other local authorities, Government agencies and credit referencing agencies for the detection and prevention of crime.

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It is an offence under the Housing Act 1996 and/or the Fraud Act 2006 for anyone seeking help from the Council to:

- give false or misleading information
- withhold information that we have asked for on an assessment form or other correspondence
- fail to tell us of a relevant change in circumstances which could affect the priority of housing awarded

This may result in prosecution, your application being suspended or cancelled and/or any tenancy granted to you being terminated. Prosecution by the Council could result in a sentence of up to ten years in prison.

It is your responsibility to inform us of any change that could affect the priority that has been awarded. If we offer affordable housing to you and, on further investigation, it appears that your circumstances had changed before the offer in a way that affected your housing priority, we reserve the right to withdraw the offer. While the investigation is ongoing the property will not usually be held for you and will be reallocated to the next person on the shortlist.

When housing has been allocated on the basis of false or misleading information, legal action may be taken to obtain possession of the property. We will decide when these provisions apply and when to begin criminal proceedings.

The Housing Register is registered under the current data protection legislation. Information on it is received, held, and disclosed only for registered purposes. For Rural Exceptions Housing schemes and accommodation in rural parishes where local needs housing nomination arrangements have been agreed by the Council, applicant details may be shared with the host Parish Council prior to an offer of housing being made.

Applicants have the right to see information on their file relating to their application except where this involves confidential third-party information. If an applicant is not eligible or does not meet the qualifying criteria for inclusion on the register or respond to an annual review of their entry on the register or is otherwise removed from the register, their records will be kept for five years before being confidentially deleted.

30. Right to review

You have the right to request a review of any decision:

- To treat you as ineligible because of your immigration status
- To exclude or suspend you from the register because you do not qualify
- Setting out the facts of your case which have been, or are likely to be, considered in determining your priority on the register.

The notification of the decision will give clear grounds for the decision based on the relevant facts of your case. To request a review of a decision you must make a request in writing within 21 days of receiving it and clearly state why you do not agree with the decision. We may ask you to provide more information and/or attend an interview. Reviews will usually be carried out by the Housing Register Panel.

The review will look at your case based on the rules in our Scheme, any legal requirements and all relevant information. This includes information you have provided and any changes since the original decision was made, for example paying off arrears or setting up a repayment plan, or where someone responsible for anti-social behaviour has left your household. We will not carry out a further review of the decision unless there is a material change in your circumstances.

31. Equality and diversity

Sevenoaks is a diverse district and home to people from a wide range of backgrounds and communities. We are committed to all our residents having the opportunity to reach their potential and seek to ensure our services meet all their needs.

We seek to ensure that no section of our community is excluded from the benefits and opportunities available and that we always have regard to the need to eliminate discrimination, harassment, and victimisation.

This housing allocation scheme will be applied consistently to everyone who applies to or is on the housing waiting list regardless of race, gender, disability, age, sexuality, religion or belief.

32. Scheme maintenance

The Scheme will remain in place and in operation for 5 years from the date of adoption.

Sevenoaks District Council's Housing Service is responsible for this Scheme and will review its operation every 18 months and follow any changes to the relevant legislation or regulations.

It may sometimes be necessary to make minor amendments, which do not represent a major change of Scheme. Authority to introduce such minor amendments is delegated to the Chief Officer - People and Places, in consultation with the Portfolio Holder for Housing and Health.

We will seek to inform all applicants of any changes to this scheme by publicising details on our website and on Kent Homechoice.

Appendix 1 - definition of Local Essential Worker

A Local Essential Worker is defined as someone employed in the Sevenoaks District (as set out in Section 3), who works in one of the following occupations:

- Public sector employees providing frontline services in areas including health, education and community safety, including NHS staff, teachers, police, firefighters, military personnel, social care and childcare workers;
- School support staff in the public sector;
- District Council employees who provide frontline services;
- Kent County Council and Town/Parish Council employees (from the 31 Town/Parishes located within the District) who provide frontline services;
- Private sector employees and the self-employed*, providing frontline services in care, including teachers and school support staff, health care, social care and childcare workers;
- Private sector employees and the self-employed who provide frontline services in amenities, including cleaners, kitchen/catering staff, shop workers, hairdressers, local transport, food processing/production and agriculture; and
- Any other frontline occupational group experiencing recruitment or retention issues - such issues being first evidenced to the satisfaction of the District Council.

Any changes to the definition will be at the sole discretion of the District Council, as approved by the Portfolio Holder for Housing & Health. Any changes will be shown on the District Council's website.

Item 13 - Financial Results 2021/22 - to the end of November 2021

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2022. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January 2022, Minute 40)

The Head of Finance presented the report which updated Members on the financial results of the council's expenditure. The year-end forecast position was an unfavourable variance of £32,000 against the Council's net service expenditure budget totalling £17.015m.

In response to questions it was confirmed that there would continue to be financial impacts on the Council due to Covid-19 which would affect expenditure. Reports would be updated as required.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the report be noted.

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FINANCIAL RESULTS 2021/22 - TO THE END OF NOVEMBER 2021

Cabinet - 10 February 2022

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

Status: For Consideration

Also considered by: Finance & Investment Advisory Committee -11 January 2022

Key Decision: No

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

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Alan Mitchell, Ext. 7483

Adrian Rowbotham, Ext. 7153

Recommendation to Finance and Investment Advisory Committee:

That the report be noted, and any comments forwarded to Cabinet.

Recommendation to Cabinet:

Cabinet considers any comments from Finance and Investment Advisory Committee and notes the report.

Reason for recommendation: Sound financial governance of the Council

Introduction and Background

- 1 The year-end position at the end of November 21 was forecast to be an unfavourable variance of £32,000 against a net revenue budget of £17.015m.
- 2 During September 2020 the Government issued the first COVID-19 Sales, Fees and Charges Compensation Scheme as part of the Governments COVID-19 support. The scheme was due to be limited to 2020/21 but was extended to the first quarter for 2021/22. The claim for the first quarter of 2021/22 has been submitted for £381,000.

Year to Date - Areas of Note

Agenda Item 13

- 3 The financial impact of pay costs - the expenditure forecasts on staff costs is £92,000 below budget. There are currently vacancies within Direct Services, Corporate Services, Transformation & Strategy and Revenue & Benefits. However, some of these, in particular Direct Services are currently being filled by agency staff. The impact of salary variances are included within the Chief Officer commentaries.
- 4 The 2021/22 pay award is still under discussion and therefore no increase has yet been paid. The latest offer is 1.75% and the budget assumption is at 2%.
- 5 Income - the Council receives a number of different income streams to help balance the budget; section 8 of the monitoring pack provides details in relation to the main streams. At the end of November, income as detailed within the report is still below budget in some areas such as Car Parks, Taxi Licensing and Land Charges but other areas such as Car Parking - On Street , Planning - Development Management and Building Control are ahead of budget.
- 6 Investment Returns - the return to date on the treasury management investments held by the Council is lower than budget with interest received totalling £17,000 compared to a budget of £125,000 for the year to date. This is due to a number of factors. Firstly, the current interest rate on investments remains very low, secondly the available cash which we can invest is greatly reduced from previous years due to the funding of the capital programme, Quercus 7 acquisitions and also COVID-19. The interest from Quercus 7 is due to be in excess of £275,000 this year. In order to increase future investment returns the Council is currently going through the selection process in order to invest in Multi-Asset Investment Funds.
- 7 Retained Business Rates - Income of £2.182m forms part of the 2021/22 budget; any receipts over and above this amount, including those that result from being a beneficiary of the Kent Business Rates Pool, will be transferred to the Budget Stabilisation Reserve. The full year forecast for the additional funds is £285,000. Regular monitoring takes place, with any amendments feeding into the outturn forecasts.

Year End Forecast

- 8 The year-end forecast position is an unfavourable variance of £32,000 (including the Covid-19 Sales, Fees and Charges Compensation Scheme) . In paragraphs 9 to 16 there are details of the larger variances, both favourable and unfavourable.

Net Service Expenditure - Favourable Variances

- 9 Within Miscellaneous Finance, the forecasted favourable variance of £380,000 is the first quarter claim for the Covid-19 Sales, Fees and Charges Compensation Scheme and is offsetting additional costs incurred in other areas.

- 10 Within Benefits Admin, New Burdens grant was received that was not known at the time the budget was set and this is leading to a favourable variance of £214,000. Any surplus may be transferred to reserves at the year end.
- 11 Corporate Management are forecasting a favourable variance of £67,000 following a salary budget re-alignment and lower spend on bought in services.
- 12 Building Control and Development Management are both showing favourable variances, £31,000 and £52,000 respectively due to an increased number of applications and associated income.

Net Service Expenditure - Unfavourable Variances

- 13 Homeless is forecasting an adverse variance of £300,000 which is the additional cost being incurred relating to an increased number of people being put in temporary accommodation and the cost of that accommodation versus the recovery from Government . The homelessness funding is currently being reviewed in order to assess the impact in future years.
- 14 Local Tax is forecasting an unfavourable variance of £176,000 due to enforcement income being lower than budget expectations. In addition, the levels of fee recovery are low as a result of COVID-19.
- 15 Direct Services are forecasting an unfavourable variance of £200,000 due to the additional cost of agency staff and the underachievement of income on trade waste as businesses recover from COVID-19 and the requirement to hire vehicle where existing vehicles are being repaired.
- 16 Planning Appeals are forecasting an unfavourable variance £43,000 due to incurring legal fees in connection to planning appeals.

Other Variances

- 17 Interest Receipts - current levels of investment returns and possible rates going forward, along with reduced cash levels due to ongoing loss of income, have resulted in an unfavourable variance of £166,000 being forecast.
- 18 Investment Property Income - The majority of properties held within the Property Investment Strategy continue to achieve the income levels predicted but there is a small favourable variance of £14,000 due to loss of income offset by additional loan interest from Quercus 7.

Future Issues and Risk Areas

- 19 Chief Officers have considered the future issues and risk areas for their services and the impacts these may have on the Council's finances as follows:
 - Ongoing impact of COVID-19 on the leisure industry and Council owned leisure facilities.

Agenda Item 13

- There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
- Within Development & Conservation, recruiting to vacant posts continues to be difficult.
- The financial impact of proposed changes to the Planning System will need to be carefully considered.
- COVID-19 continues to affect the entire authority and is being closely monitored. As part of the 10-year budget process the expected financial impacts will continue to be reviewed.
- Car parking customer numbers are increasing but it is uncertain what the impact will be for the rest of the year especially if there are further lockdowns. Note that the car parking income budget was reduced by 25% in 2021/22.
- Ongoing Temporary Accommodation (TA) costs within the district due to increases in homelessness. All Covid-19 placements ended on 30 June 2021 and a TA Charging Policy came into effect from 1 August.
- IT Asset Maintenance spend as per 10-year plan resulting in draw down from reserves in current year.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement

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

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

Equality Assessment

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

Appendices

Appendix A - November 2021 Budget Monitoring Commentary

Appendix B - November 2021 Financial Information

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

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People and Places	Budget to Date £'000	Forecast Outturn £'000	Actual to end of November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)	
Compliance & Enforcement	0	0	11	11			0	External grant funding for Town Centre Ambassador posts to be drawn down from first tranche of funding.	
Leisure Contract	57	57	26	-31			0	Waiting for Sencio to sign annual contract in order to release funding.	
Local Strategic Partnership	0	0	15	15			0	The LSP Community Wellbeing Fund supports Covid-19 related priorities and will be funded through the relevant reserve.	
Tourism	25	25	-159	-184			0	Grants received ahead of spend.	
West Kent Enterprise Advisor Network	16	16	32	17			0	Spend ahead of grant claim.	
West Kent Kick Start	0	0	-13	-13			0	Grants received ahead of spend.	
Future Issues/Risk Areas	Ongoing impact of COVID-19 on the leisure industry and Council owned leisure facilities - consultancy review completed.								

Development and Conservation	Budget to Date £'000	Forecast Outturn	Actual to end of November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Building Control	-87	-118	-145	-58		-31	-31	Over Recovery of Income in fees, any continual over recovery transferred to reserves at year end for reinvestment in the service. Variances due to extended decoupling of partnership.
Planning Policy	281	285	299	18		5	5	Payment for costs relating to Local Plan Judicial review.
LDF Expenditure	0	0	40	40			0	Credit note received in P9.
Planning - Appeals	148	191	183	35		43	43	Legal fees in relation to Broke Hill.
Planning - CIL Administration	-27	-61	-50	-22		-34	-34	Underspend due to current vacant positions.
Planning - Development Management	-59	-111	-74	-15		-52	-52	Small number of high fee applications in first two quarters in addition to an uplift in general case numbers
Planning - Enforcement	193	218	215	22		25	25	Additional investment in the delivery of the service.
Planning Performance Agreement	0	0	31	31			0	PPA are reinvested in the delivery of the service.
Administrative Expenses - Planning Services	24	24	68	44			0	Education and Training costs recharged at year end.
Future Issues/Risk Areas	There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts. Recruiting to vacant posts continues to be difficult. The financial impact of proposed changes to the Planning System will need to be carefully considered.							

	Budget to Date £'000	Forecast Outturn	Actual to end of November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Finance and Investments								
Asset Maintenance CCTV	12	12	1	-12			0	Spend behind profile. Budget planned to be spent.
Asset Maintenance Direct Services	28	81	95	68		53	53	Overspend due to depot refurbishment works.
Asset Maintenance Public Toilets	10	10	0	-10			0	Spend behind profile.
Benefits Admin	97	-117	-169	-266		-214	-214	Additional New Burdens funding received that was un budgeted for.
Dartford Rev&Ben Partnership Hub (SDC costs)	1,350	1,350	1,303	-47			0	Underspends on part year vacancies.
Local Tax	-113	63	-62	51		176	176	Annual variances due to enforcement income not in line with budgeted expectation as highlighted in high level commentary at the beginning of the year. Current fee recovery levels are highly variable as a result of COVID impact affecting court availability. These levels are expected to rise but are likely to remain significantly under normal levels by year end.
Misc. Finance	958	578	302	-656	-380		-380	Covid-19 grants received at the start of the year. This will offset spend on this and other lines. Over-recovery compared to budget expected due to income compensation scheme as some income budgets were lowered for this year.
Administrative Expenses - Finance	18	18	40	21			0	Additional licence requirement for Agresso following licence audit.
Support - Exchequer and Procurement	100	100	111	11			0	Spend ahead of profile.
Support - Legal Function	172	194	153	-19		22	22	Forecast overspend due to external advice costs.
Treasury Management	81	81	121	40			0	Current overspends due to credit card bill to be charged to other codes.
Future Issues/Risk Areas	Covid-19 continues to have a potential impact on income levels and expenditure.							

	Budget to Date £'000	Forecast Outturn £'000	Actual to end of November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Cleaner and Greener								
Asset Maintenance Argyle Road	52	52	24	-28			0	Spend currently behind profile. Planned works mean there is no variance projected at year end.
Asset Maintenance Other Corporate Properties	23	23	53	30			0	Urgent works to Fircroft residents association hall.
Asset Maintenance Hever Road	27	27	46	19			0	Urgent repair works due to vandalism required additional expenditure.
Asset Maintenance Leisure	126	126	103	-23			0	Spend currently behind profile. Planned works mean there is no variance projected at year end.
Asset Maintenance Support & Salaries	61	61	38	-22			0	Spend currently behind profile. Planned works mean there is no variance projected at year end.
Car Parks	-653	-653	-796	-143			0	Parking income is currently behind profile. As restrictions lift monthly income is improving and it is anticipated it will recover to the level of the budget by year end.
CCTV	170	170	209	39			0	Invoices to partner organisations to be raised to recover costs.
EH Commercial	204	204	183	-21			0	This is a profiling issue and underspend is expected to be consumed by year end.
EH Animal Control	12	19	-1	-13		6	6	Awaiting Invoicing for Kennel Fees.
EH Environmental Protection	223	223	212	-11			0	KCC Test & Trace grant to be spent in line with grant conditions. Potential Carry forward if amounts not fully utilised in year.
Parking Enforcement - Tandridge DC	-4	-4	-180	-175			0	Income collected on behalf of Tandridge to be paid over.
Estates Management - Buildings	26	26	-22	-48			0	Unbudgeted rates bills for meeting point refunded following demolition.
Estates Management - Grounds	83	83	97	14			0	Spend relating to hedge cutting costs and essential maintenance work.
Housing Premises	2	2	-10	-12			0	Underspend due to reduced emptying of cesspools based on usage.
Kent Resource Partnership	-112	-112	5	117			0	Funding received ahead of expenditure. The Kent Resource Partnership is transferring to Kent County Council. All balances will be transferred leaving no variance at year end.
Licensing Regime	24	-1	-16	-40		-26	-26	Premises Licences Annual Fees Received earlier than budgeted, expected incomes exceeding current budget. Underspend on Salary Due to partial vacancy.
Markets	-139	-139	-154	-15			0	Rental income ahead of profile.
Parks - Greensand Commons Project	0	0	62	62			0	Externally funded project. Spend will be reclaimed.
Parks and Recreation Grounds	87	87	9	-78			0	Spend ahead of profile due to works carried out. No year end variance projected.
Parks - Rural	108	108	126	18			0	Income from coppiced timber sales due later in the year.
Refuse Collection	1,993	1,973	1,888	-104		-20	-20	Quarterly recycling credits behind profile.
Administrative Expenses - Direct Services	0	0	12	12			0	Overspend against profile on training and staff advertising relating to the restructure.
Street Cleansing	1,027	994	964	-63		-33	-33	Infrastructure Grant received ahead of spend.
Support - Central Offices	410	410	378	-32			0	Spend currently behind profile. Planned works mean there is no variance projected at year end.
Support - Central Offices - Facilities	178	150	143	-36		-28	-28	Underspend due to reduction in staffing and overtime costs.
Support - Direct Services	31	31	58	26			0	Overspend against profile on training and staff advertising relating to the restructure.

	Budget to Date £'000	Forecast Outturn £'000	Actual to end of November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Cleaner and Greener								
Direct Services Trading account	-396	-196	247	643	100	100	200	There is currently an overspend on agency staff in this area, which is partially offset by salary underspends. A project team has now bought forward a recruitment drive to reduce this, which came into effect from November 2021. Although some agency use is required in order to maintain service levels to cover the extra team and vehicle required to deal with the huge increase on collected weights, as well as leave and sickness. It is anticipated that the budget can be brought down by offsetting the current staff vacancies. There is ongoing work on estimation for commercial income at the depot, initial focus has been undertaken on commercial waste. This will enable a greater focus on building up new customers later in the year. It is currently anticipated with the work carried out by the Commercial Operations and Trading Manager and team that there will be a shortfall in income targets of around £100,000. Due to the ageing fleet and delayed replacement of vehicles there have been breakdowns resulting in additional hire costs to maintain the service. The forecast for this is an overspend for £100,000. As the pressures build on services due to the pandemic this situation may change, but will be kept under review.
Future Issues/Risk Areas	Covid-19 continues to have a potential impact on income levels and expenditure.							

	Budget to Date £'000	Forecast Outturn £'000	Actual to November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Housing and Health								
Contain Outbreak Management Fund 2021/22	0	0	-38	-38				External funding received in advance from Kent County Council towards COVID-19 recovery projects.
Domestic Abuse Duty	0	0	-28	-28				External funding received in advance from Kent County Council towards Domestic Abuse Housing Co-ordinator post.
Homeless	279	579	650	371		300		Lack of affordable move on and social/rented accommodation in the district is preventing move on from temporary and emergency accommodation. Housing Benefit reclaims for the period are pending. Block accommodation bookings are now secured at more competitive rates. Additional staffing costs incurred as a result of external funding not yet drawn down.
Housing Clinically Extremely Vulnerable 21/22	0	0	-30	-30				External funding received in advance for fixed term One You Plus Officer and running costs.
Kent Housing Group Grant	0	0	-102	-102				Monies received in advance from Kent Housing Group to support private rented sector arrears.
Housing	127	127	75	-52				Staff underspend relating to vacant Housing Strategy Manager and Housing Team Leader posts (now recruited to). Citizens Advice SLA now signed and funding will be released.
Housing Energy Retraining Options (HERO)	88	88	26	-62				Staff underspend due to vacant HERO Officer post.
KCC Helping Hands	0	0	-65	-65				External funding received in advance from Kent County Council towards COVID-19 recovery projects.
Choosing Health WK PCT	-10	-10	8	18				Monies spent in advance of next tranche of Kent Public Health funding being received.
Homelessness Funding	-416	-416	-400	17				Funding to be drawn down for homeless prevention funded staffing posts.
PCT Initiatives	0	0	18	18				Reserve funding to fund the Graduate Communities Officer shared between Communities and Business.
KCC Specialist Weight Management	0	0	-17	-17				Health funding received in advance to support BAME community health interventions.
Future Issues/Risk Areas								Ongoing Temporary Accommodation costs within the district due to increases in homelessness. Recruitment to vacant posts being completed, all Covid-19 placements to end on 30 June 2021 and a TA Charging Policy to come into effect from 1 August.

	Budget to Date £'000	Forecast Outturn £'000	Actual to November 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Improvement and Innovation								
Asset Maintenance IT	197	197	566	369			0	Spend as per Asset Maintenance Plan.
Corporate Management	702	635	624	-78		-67	-67	It is currently forecast that there will be an underspend within the Corporate Management budget for this year, which includes a revised salary budget and lower expenditure on bought-in services.
Corporate Projects	48	23	31	-17		-25	-25	Current salary underspend to be offset by overspend elsewhere.
Corporate - Other	29	9	0	-29		-20	-20	An underspend is forecast on spending on responding to legislation and savings generated from vacant posts is expected to exceed the budget level.
Democratic Services	112	88	93	-18		-24	-24	Underspend due to staffing turnover.
Economic Development	28	28	58	30			0	Place campaign to be funded from reserves.
Economic Development Property	396	396	347	-49			0	Salary underspend due to vacancies now filled. Agency staffing cover required will offset this by year end.
Elections	55	55	214	159			0	Current overspend due to income outstanding relating to the PCC, KCC and District Elections. PCC and KCC accounts have been submitted to the KCC and the government's Elections Claims Unit, but are unlikely to be settled during this financial year.
External Communications	154	144	139	-15		-10	-10	Year-end variance forecast as expenditure on website support lower than budgeted amount for this year.
Land Charges	-78	-58	-81	-3		20	20	Under-achievement on income partially offset by New Burdens funding.
Members	314	301	282	-32		-13	-13	Members allowances lower than budgeted levels due to changes in roles as only one Special Responsibility Allowance is payable.
Register of Electors	149	149	128	-21			0	Delay in the receipt of invoices from suppliers has created the current underspend. The underspend will reduce as these are paid in the coming weeks.
Administrative Expenses - Human Resources	7	21	20	12		14	14	Forecast overspend due to external advice costs
Support - Contact Centre	568	543	514	-54		-25	-25	Current underspend due to staffing changes currently under review.
Support - IT	924	924	954	29			0	Software Licensing renews unevenly throughout the year creating variances to profiled budget.
Future Issues/Risk Areas								IT Asset Maintenance spend as per 10 year plan resulting in draw down from reserves in current year. Reduced income on internal Print Charges over the year to date. This will be monitored

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Position as at the end of November 2021	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Annual Variance £'000	Annual Variance %
People and Places	230	591	582	(8)	(1.4)
Development and Conservation	661	897	853	(44)	(4.9)
Finance and Investments	2,559	3,090	2,747	(343)	(11.1)
Cleaner and Greener	3,758	5,655	5,661	6	0.1
Housing and Health	372	988	1,385	398	40.3
Improvement and Innovation	4,303	5,794	5,666	(128)	(2.2)
Services Total	11,883	17,015	16,895	(120)	(0.7)
Adjustments to Reconcile to amount to be met from reserves: Capital Charges outside the General Fund	(40)	(60)	(60)	0	0.0
Adjustments to Reconcile to amount to be met from reserves: Support Services outside the General Fund	(115)	(172)	(172)	0	0.0
Redundancy Costs	80	0	0		-
NET SERVICE EXPENDITURE	11,809	16,783	16,664	(120)	(0.7)
New Homes Bonus	(770)	(1,155)	(1,155)	0	0.0
Retained Business Rates	(1,455)	(2,182)	(2,467)	(285)	(13.1)
Council Tax	(7,629)	(11,443)	(11,443)	0	(0.0)
Contribution from Collection Fund	11	17	17	0	0.0
Local Council Tax Support (LCTS)	(245)	(245)	(245)	0	
Lower Tier Services Grant	(69)	(98)	(98)		
Summary excluding Investment Income	1,653	1,677	1,272	(405)	(24.1)
Investment Property Income	(913)	(1,372)	(1,386)	(14)	(1.0)
Interest Receipts	(17)	(188)	(22)	166	(88.3)
OVERALL TOTAL	723	117	(136)	(253)	(216.8)
Planned Appropriation to/(from) Reserves	(1,077)	(1,615)	(1,615)	0	
Other Reserve Movements	0	1,498	1,783	285	
Supplementary Estimates	0	0	0	0	
(Surplus)/Deficit	(354)	(0)	32	32	

Appendix B : Summary by Service

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
People & Places SDC Funded	£'000	£'000	£'000	£'000	£'000	£'000	£'000
All Weather Pitch	(4)	(3)	(0)	(5)	-	(5)	-
Community Safety	104	107	(2)	160	-	160	-
Community Development Service Provisions	(6)	(6)	-	(6)	-	(6)	-
The Community Plan	12	14	(3)	21	(4)	17	(4)
Grants to Organisations	167	176	(8)	185	(4)	181	(4)
Leisure Contract	26	57	(31)	112	-	112	-
Leisure Development	10	16	(6)	21	-	21	-
Administrative Expenses - Communities & Business	20	13	7	22	-	22	-
Tourism	(159)	25	(184)	30	-	30	-
West Kent Partnership	(11)	(10)	(0)	-	-	-	-
Youth	28	33	(5)	50	-	50	-
Total People & Places SDC Funded	187	420	(233)	591	(8)	582	(8)
People & Places Externally Funded	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Practical Support Self-Isolating COVID 19	(6)	-	(6)	-	-	-	-
Compliance & Enforcement	11	-	11	-	-	-	-
Contain Outbreak Management Fund 2021/22	0	-	0	-	-	-	-
Local Strategic Partnership	15	-	15	-	-	-	-
Partnership - Home Office	1	(0)	1	-	-	-	-
Police & Crime Commissioners (PCCs)	1	-	1	-	-	-	-
Community Sports Activation Fund	(3)	-	(3)	-	-	-	-
Sportivate Inclusive Archery Project	0	-	0	-	-	-	-
West Kent Business Rates Retention	5	-	5	-	-	-	-
West Kent Enterprise Advisor Network	32	16	17	-	-	-	-
West Kent Kick Start	(13)	-	(13)	-	-	-	-
West Kent Partnership Business Support	0	-	0	-	-	-	-
People & Places Externally Funded	43	16	27	-	-	-	-

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Total People & Places	230	436	(206)	591	(8)	582	(8)

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Development and Conservation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Building Control Partnership Members	(0)	-	(0)	-	-	-	-
Building Control Partnership Hub (SDC Costs)	(0)	-	(0)	-	-	-	-
Building Control	(145)	(87)	(58)	(130)	(31)	(161)	(31)
Conservation	94	87	7	130	-	130	-
Dangerous Structures	-	2	(2)	3	-	3	-
Planning Policy	299	281	18	483	5	487	5
LDF Expenditure	40	-	40	-	-	-	-
Planning - Appeals	183	148	35	202	43	245	43
Planning - CIL Administration	(50)	(27)	(22)	(66)	(34)	(100)	(34)
Planning - Counter	(1)	(4)	3	(6)	-	(6)	-
Planning - Development Management	(74)	(59)	(15)	(69)	(52)	(121)	(52)
Planning - Enforcement	215	193	22	289	25	314	25
Planning Performance Agreement	31	-	31	-	-	-	-
Administrative Expenses - Building Control	(1)	8	(9)	12	-	12	-
Administrative Expenses - Planning Services	68	24	44	49	-	49	-
Total Development and Conservation	661	565	96	897	(44)	853	(44)
Finance and Investments	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset Maintenance CCTV	1	12	(12)	18	-	18	-
Asset Maintenance Countryside	2	6	(4)	9	-	9	-
Asset Maintenance Direct Services	95	28	68	42	53	95	53
Asset Maintenance Playgrounds	4	10	(7)	16	-	16	-
Asset Maintenance Public Toilets	-	10	(10)	16	-	16	-
Benefits Admin	(169)	97	(266)	148	(214)	(66)	(214)
Benefits Grants	(17)	(17)	-	(25)	-	(25)	-
Corporate Management	1	-	1	-	-	-	-
Dartford Rev&Ben Partnership Hub (SDC costs)	1,303	1,350	(47)	-	-	-	-
Dartford Audit Partnership Hub (SDC Costs)	142	151	(9)	-	-	-	-

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Housing Advances	-	1	(1)	1	-	1	-
Local Tax	(62)	(113)	51	(85)	176	91	176
Misc. Finance	302	958	(656)	1,580	(380)	1,200	(380)
Administrative Expenses - Chief Executive	1	9	(8)	20	-	20	-
Administrative Expenses - Finance	40	18	21	26	-	26	-
Administrative Expenses - Revenues and Benefits	(0)	-	(0)	-	-	-	-
Administrative Expenses - Strategic Property	6	-	6	-	-	-	-
Support - Rev & Ben Control	149	149	-	224	-	224	-
Support - Counter Fraud	35	35	0	52	-	52	-
Support - Audit Function	134	129	5	196	-	196	-
Support - Exchequer and Procurement	111	100	11	158	-	158	-
Support - Finance Function	163	171	(8)	256	-	256	-
Support - Legal Function	153	172	(19)	259	22	281	22
Support - Procurement	7	4	2	7	-	7	-
Support - Property Function	38	34	3	52	-	52	-
Treasury Management	121	81	40	123	-	123	-
Total Finance and Investments	2,559	3,396	(837)	3,090	(343)	2,747	(343)
Cleaner and Greener	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset Maintenance Argyle Road	24	52	(28)	79	-	79	-
Asset Maintenance Other Corporate Properties	53	23	30	35	-	35	-
Asset Maintenance Hever Road	46	27	19	40	-	40	-
Asset Maintenance Leisure	103	126	(23)	190	-	190	-
Asset Maintenance Support & Salaries	38	61	(22)	138	-	138	-
Asset Maintenance Sewage Treatment Plants	0	6	(6)	9	-	9	-
Bus Station	11	9	2	8	-	8	-
Car Parks	(796)	(653)	(143)	(1,198)	-	(1,198)	-
CCTV	209	170	39	269	-	269	-
Civil Protection	26	34	(8)	49	-	49	-
Dartford Environmental Hub (SDC Costs)	-	(0)	0	-	-	-	-
Car Parking - On Street	(194)	(197)	3	(245)	-	(245)	-

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
EH Commercial	183	204	(21)	304	0	304	0
EH Animal Control	(1)	12	(13)	22	6	29	6
EH Environmental Protection	212	223	(11)	346	(0)	346	(0)
Emergency	45	54	(9)	81	-	81	-
Parking Enforcement - Tandridge DC	(180)	(4)	(175)	(39)	-	(39)	-
Estates Management - Buildings	(22)	26	(48)	(16)	-	(16)	-
Estates Management - Grounds	97	83	14	125	-	125	-
Housing Other Income	(10)	(9)	(0)	(14)	-	(14)	-
Housing Premises	(10)	2	(12)	16	-	16	-
Kent Resource Partnership	5	(112)	117	-	-	-	-
Licensing Partnership Hub (Trading)	9	15	(7)	-	(4)	(4)	(4)
Licensing Partnership Members	-	-	-	-	-	-	-
Licensing Regime	(16)	24	(40)	44	(26)	18	(26)
Asset Maintenance Operatives	5	3	2	5	-	5	-
Markets	(154)	(139)	(15)	(217)	-	(217)	-
Parks - Greensand Commons Project	62	-	62	-	-	-	-
Parks and Recreation Grounds	9	87	(78)	132	-	132	-
Parks - Rural	126	108	18	165	-	165	-
Public Transport Support	-	0	(0)	0	-	0	-
Refuse Collection	1,888	1,993	(104)	2,913	(20)	2,893	(20)
Administrative Expenses - Direct Services	12	0	12	-	-	-	-
Administrative Expenses - Health	3	3	0	5	-	5	-
Administrative Expenses - Licensing	0	4	(4)	7	-	7	-
Administrative Expenses - Property	3	2	0	3	-	3	-
Administrative Expenses - Transport	3	4	(1)	7	-	7	-
Street Cleansing	964	1,027	(63)	1,539	(33)	1,506	(33)
Support - Central Offices	378	410	(32)	483	-	483	-
Support - Central Offices - Facilities	143	178	(36)	279	(28)	250	(28)
Support - General Admin	-	3	(3)	5	-	5	-
Support - General Admin (Post/Scanning)	143	144	(1)	219	-	219	-
Support - Health and Safety	0	5	(5)	8	(4)	4	(4)

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Support - Direct Services	58	31	26	50	-	50	-
Direct Services Trading account	247	(396)	643	(246)	200	(46)	200
Taxis	3	7	(4)	11	14	26	14
Public Conveniences	31	33	(2)	47	-	47	-
Total Cleaner and Greener	3,758	3,687	71	5,655	106	5,761	106
Housing and Health	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Contain Outbreak Management Fund 2021/22	(38)	-	(38)	-	-	-	-
Domestic Abuse Duty	(28)	-	(28)	-	-	-	-
Gypsy Sites	(5)	(8)	3	(10)	-	(10)	-
Health Improvements	30	32	(2)	48	(2)	46	(2)
Homeless	650	279	371	429	300	729	300
Housing Clinically Extremely Vulnerable 21/22	(30)	-	(30)	-	-	-	-
Housing Register	17	24	(8)	37	-	37	-
Kent Housing Group Grant	(102)	-	(102)	-	-	-	-
Disabled Facilities Grant Administration	-	-	-	(50)	-	(50)	-
Housing	75	127	(52)	186	-	186	-
Housing Initiatives	37	37	0	55	-	55	-
Next Steps Accommodation Programme	(0)	-	(0)	-	-	-	-
Housing Pathway Co-ordinator	5	-	5	-	-	-	-
Homelessness Prevention	(5)	-	(5)	-	-	-	-
Needs and Stock Surveys	0	-	0	-	-	-	-
Housing Energy Retraining Options (HERO)	26	88	(62)	130	-	130	-
KCC Helping Hands	(65)	-	(65)	-	-	-	-
Private Sector Housing	180	190	(9)	284	-	284	-
Rough Sleepers Initiative (4)	(6)	-	(6)	-	-	-	-
Administrative Expenses - Housing	6	-	6	-	-	-	-
One You - Your Home Project	0	-	0	-	-	-	-
Choosing Health WK PCT	8	(10)	18	-	-	-	-
PCT Health Checks	14	14	(0)	-	-	-	-
Homelessness Funding	(400)	(416)	17	(122)	-	(122)	-
PCT Initiatives	18	-	18	-	-	-	-

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
KCC Specialist Weight Management	(17)	-	(17)	-	-	-	-
Total Housing and Health	372	357	15	988	298	1,285	298
Improvement and Innovation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Action and Development	4	5	(2)	8	-	8	-
Asset Maintenance IT	566	197	369	296	-	296	-
Civic Expenses	16	17	(1)	17	-	17	-
Consultation and Surveys	10	-	10	4	5	9	5
Corporate Management	624	702	(78)	1,146	(67)	1,079	(67)
Corporate Projects	31	48	(17)	71	(25)	46	(25)
Corporate - Other	-	30	(30)	135	(20)	115	(20)
Democratic Services	93	112	(18)	167	(24)	143	(24)
Economic Development	58	28	30	38	-	38	-
Economic Development Property	347	396	(49)	442	-	442	-
Elections	214	55	159	125	-	125	-
External Communications	139	154	(15)	222	(10)	212	(10)
Land Charges	(81)	(78)	(3)	(118)	20	(98)	20
Members	282	314	(32)	473	(13)	460	(13)
Performance Improvement	8	7	1	(0)	-	(0)	-
Register of Electors	128	149	(21)	204	-	204	-
Administrative Expenses - Corporate Services	18	14	4	23	-	23	-
Administrative Expenses - Legal and Democratic	52	58	(6)	72	-	72	-
Administrative Expenses - Transformation and Strategy	2	3	(1)	5	-	5	-
Administrative Expenses - Human Resources	20	7	12	9	14	23	14
Street Naming	(1)	1	(2)	2	-	2	-
Support - Contact Centre	514	568	(54)	855	(25)	830	(25)
Support - General Admin	11	15	(3)	178	-	178	-
Support - General Admin (Print Shop)	(14)	(23)	9	(49)	-	(49)	-
Support - IT	954	924	29	1,071	-	1,071	-
Support - Local Offices	0	-	0	-	-	-	-

Position as at the end of November 2021	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Budget £'000	Annual Forecast Var £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Support - Nursery	1	-	1	-	-	-	-
Support - Human Resources	306	304	2	397	18	415	18
Total Improvement and Innovation	4,303	4,009	294	5,794	(128)	5,666	(128)
Total SDC	11,883	12,450	(567)	17,015	(120)	16,895	(120)

Appendix B : Salaries

Position as at the end of November 2021	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast £'000	Annual Variance £'000	Annual Variance %
Development and Conservation					
Building Control	244	381	381	0	0%
Planning Services	1,329	1,903	1,903	0	0%
Total	1,572	2,285	2,285	0	0%
Finance and Investments					
Chief Executive	142	216	216	0	0%
Finance	604	946	946	0	0%
Revenues and Benefits	1,036	1,660	1,660	0	0%
Strategic Property	387	607	607	0	0%
Total	2,168	3,429	3,429	0	0%
Cleaner and Greener					
Direct Services	2,599	4,353	4,353	0	0%
Health	389	681	681	0	0%
Licensing	297	481	481	0	0%
Property	303	481	451	(30)	-6%
Transport	379	500	500	0	0%
Total	3,967	6,496	6,466	(30)	0%
Housing and Health					
Housing	541	865	865	0	0%
Total	541	865	865	0	0%
Improvement and Innovation					
Corporate Services	1,156	1,861	1,801	(60)	-3%
Legal and Democratic	395	628	626	(2)	0%
Transformation and Strategy	394	660	660	0	0%
Human Resources	262	387	387	0	0%
Total	2,207	3,536	3,474	(62)	-2%
People and Places					
Communities & Business	199	295	295	0	0%
	199	295	295	0	0%
Sub Total	10,655	16,906	16,814	(92)	-1%
Council Wide - Vacant Posts	0	(10)	(10)	0	0%
Staff Recruitment and Retention	0	73	73	0	0%
TOTAL SDC Funded Salary Costs	10,655	16,969	16,877	(92)	-1%
Communities & Business*	305	264	264	0	0%
Direct Services*	20	126	126	0	0%
Housing*	151	149	149	0	0%
Externally Funded Total	475	540	540	0	0%
TOTAL Salary Costs	11,130	17,508	17,416	(92)	-1%

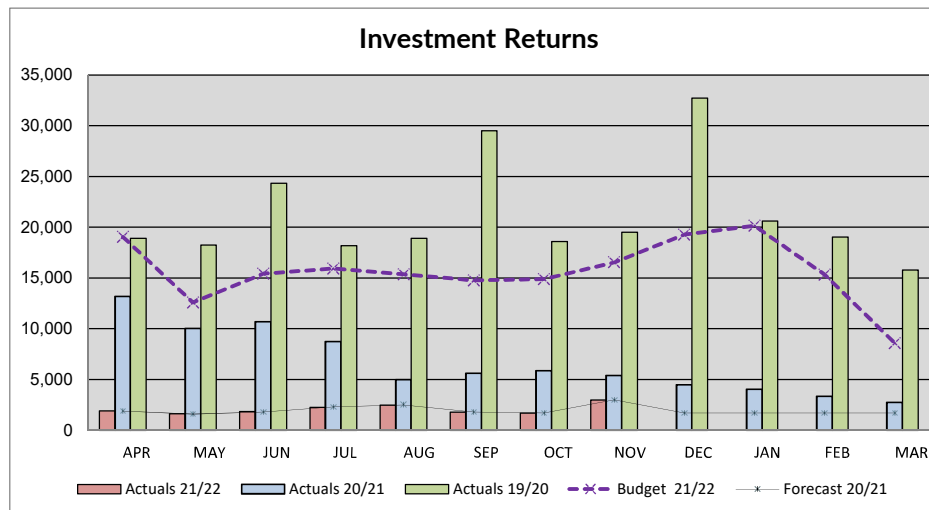
*Externally Funded & Funded from other sources (gross figures). Overspendings here are matched by external funding and represent additional resources secured for the Council since the budget was set.

Agenda Item 13

Appendix B : Staffing Stats - Position as at the end of November 21	Budget FTE*	Staff FTE	Agency FTE	Casual FTE	Total	October 2021 Total
Development and Conservation						
Building Control	8.00	6.00			6.00	6.00
Planning Services	41.47	38.15			38.15	37.57
Finance and Investments						
Chief Executive	1.00	1.00			1.00	1.00
Finance	16.08	16.81			16.81	15.81
Revenues and Benefits	43.33	40.84		0.39	41.23	40.28
Strategic Property	10.00	15.24	1.00		16.24	13.57
Cleaner and Greener						
Direct Services	125.97	116.36	18.89		135.25	135.62
Health	12.57	9.31	1.00	0.38	10.69	10.55
Licensing	10.59	10.19			10.19	10.19
Property	6.65	4.65			4.65	4.65
Transport	14.00	16.59			16.59	16.59
Housing and Health						
Housing	15.20	16.53			16.53	17.14
Improvement and Innovation						
Corporate Services	50.75	51.43		0.51	51.94	49.75
Legal and Democratic	7.50	6.00			6.00	7.00
Transformation and Strategy	20.35	17.16			17.16	17.16
Human Resources	8.00	7.76			7.76	7.76
People and Places						
Communities & Business	5.00	4.68			4.68	4.68
Sub Total	396.46	378.70	20.89	1.28	400.87	395.32
Externally Funded						
People & Places	6.08	8.30		0.04	8.34	10.57
People & Places - Housing	4.00	8.11			8.11	9.11
KRP	2.00	0.00			0.00	0.00
Sub total	12.08	16.41	0.00	0.04	16.45	19.68
Total	408.54	395.11	20.89	1.32	417.32	415.00
Number of staff paid in November 2021: 428 permanent, 4 casuals						

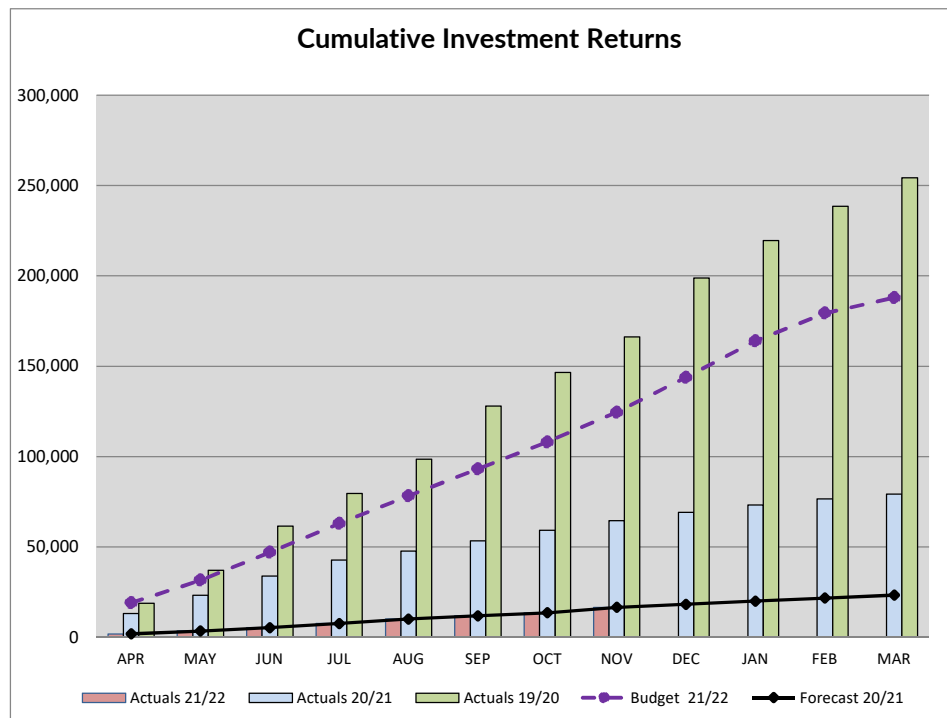
6 Investment Returns

	Actuals 19/20	Actuals 20/21	Actuals 21/22	Budget 21/22	Variance	Forecast 20/21
APR	18,908	13,190	1,900	19,058	-17,158	1,900
MAY	18,243	10,041	1,620	12,595	-10,975	1,600
JUN	24,341	10,719	1,829	15,424	-13,595	1,800
JUL	18,166	8,761	2,261	15,947	-13,686	2,300
AUG	18,891	5,010	2,471	15,365	-12,894	2,500
SEP	29,495	5,612	1,774	14,773	-12,999	1,800
OCT	18,586	5,867	1,696	14,889	-13,193	1,700
NOV	19,520	5,397	2,963	16,555	-13,592	3,000
DEC	32,723	4,484		19,286		1,700
JAN	20,620	4,060		20,166		1,700
FEB	19,034	3,367		15,345		1,700
MAR	15,768	2,769		8,597		1,700
TOTAL	254,295	79,277	16,514	188,000	-108,092	23,400



INVESTMENT RETURNS (CUMULATIVE)

	Actuals 19/20	Actuals 20/21	Actuals 21/22	Budget 21/22	Variance	Forecast 20/21
APR	18,908	13,190	1,900	19,058	-17,158	1,900
MAY	37,151	23,231	3,520	31,653	-28,133	3,500
JUN	61,492	33,950	5,349	47,077	-41,728	5,300
JUL	79,658	42,711	7,610	63,024	-55,414	7,600
AUG	98,549	47,721	10,081	78,389	-68,308	10,100
SEP	128,044	53,333	11,855	93,162	-81,307	11,900
OCT	146,630	59,200	13,551	108,051	-94,500	13,600
NOV	166,150	64,597	16,514	124,606	-108,092	16,600
DEC	198,873	69,081		143,892		18,300
JAN	219,493	73,141		164,058		20,000
FEB	238,527	76,508		179,403		21,700
MAR	254,295	79,277		188,000		23,400



BUDGET FOR 20/21 188,000
FORECAST OUTTURN 23,400

CODE:- YHAA 96900

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

Fund Average 0.1021%
7 Day LIBID -0.0800%
3 Month LIBID -0.0313%

7. Reserves

	21/22 Opening Balance £'000	21/22 Cumulative Movement to Date	Position as at the end of November 2021 (Period 202208)
Position as at the end of November 2021 (Period 202208)			
E Earmarked Reserve - Budget Stabilisation	(9,031)	(9,031)	-
E Earmarked Reserve - NNDR Safety Net Deficit Reserve	(8,071)	(8,071)	-
E Earmarked Reserve - Financial Plan	(2,653)	(2,653)	-
E Earmarked Reserve - Carry Forward Items (DAC)	(1,250)	(1,250)	-
E Earmarked Reserve - Capital Expenditure Reserve	(1,000)	(1,000)	-
E Earmarked Reserve - IT Asset Maintenance	(879)	(879)	-
E Earmarked Reserve - Vehicle Renewal (DAA)	(696)	(696)	-
E Earmarked Reserve - Housing & Commercial Growth Fund	(566)	(566)	-
E Earmarked Reserve - DWP Hsg Benefit Subsidy	(550)	(550)	-
E Earmarked Reserve - Pension Fund Valuation Adj.	(441)	(441)	-
E Earmarked Reserve - New Homes Bonus Reserve	(406)	(406)	-
E Earmarked Reserve - Action and Development	(396)	(396)	-
E Earmarked Reserve - Local Plan/LDF	(318)	(318)	-
E Earmarked Reserve - Vehicle Insurance (DAZ)	(258)	(258)	-
E Earmarked Reserve - Property Investment Strategy Maintenance Reserve	(233)	(233)	-
E Earmarked Reserve - Capital Financing	(221)	(221)	-
E Earmarked Reserve - Corporate Project Support Reserve	(212)	(212)	-
E Earmarked Reserve - FTS (DAB)	(206)	(206)	-
E Earmarked Reserve - Community Development Reserve	(204)	(204)	-
E Earmarked Reserve - Community Infrastructure Levy Administration (CIL)	(185)	(185)	-
E Earmarked Reserve - Development Services Reserve	(113)	(113)	-
Total	(27,890)	(27,890)	-
Other Earmarked Reserves (balances <£100k)	(698)	(729)	(31)
Total Earmarked Reserves	(28,588)	(28,620)	(31)
General Fund	(1,500)	(1,500)	-
Total Reserves	(30,089)	(30,120)	(31)

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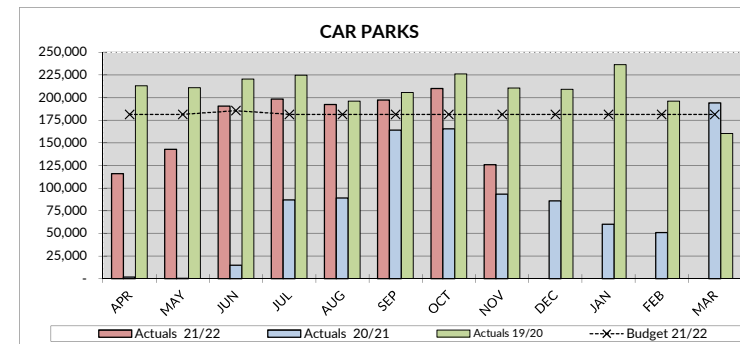
Appendix B : Income Graphs Summary

	ACTUAL	Previous Year comparatives	Budget YTD	Variance YTD · brackets show underachieve ment	Annual Budget
Car Parks	1,371,968	613,963	1,455,785	(83,816)	2,181,677
Car Parking - On Street	609,024	297,619	555,081	53,943	832,621
Licensing Regime	100,733	84,089	70,459	30,273	99,148
Taxis	79,942	68,954	96,918	(16,976)	145,377
Land Charges	113,133	110,020	147,182	(34,049)	220,773
Planning - Development Management	697,673	638,014	658,813	38,860	988,220
Building Control	395,730	356,345	335,445	60,284	503,168
Total	3,368,202	2,169,004	3,319,683	48,519	4,970,984

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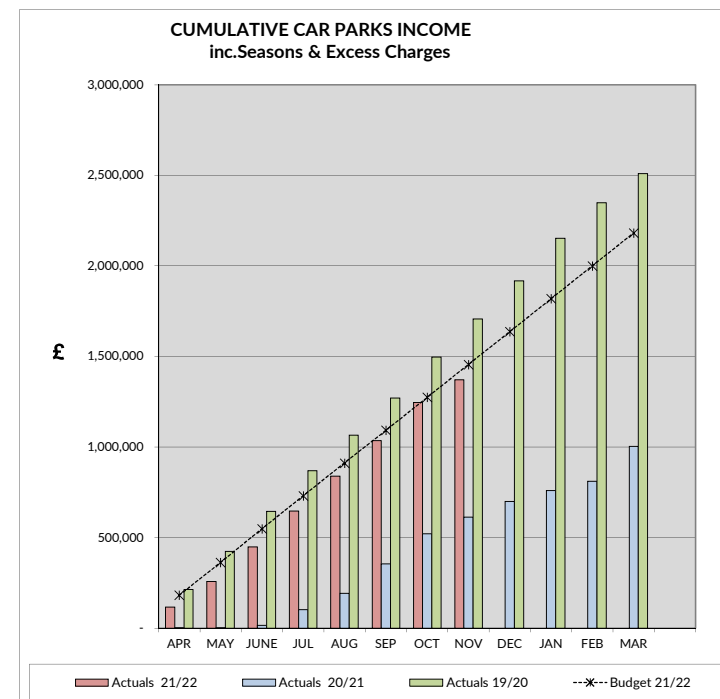
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Appendix B: CAR PARKS (HWCARP)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	213,119	1,513	115,730	114,217	181,473	(65,743)	-
MAY	210,813	158	142,691	142,533	181,473	(38,782)	-
JUN	220,637	14,588	190,284	175,696	185,473	4,811	-
JUL	224,678	86,759	198,274	111,516	181,473	16,801	-
AUG	196,164	88,754	192,326	103,572	181,473	10,852	-
SEP	205,737	163,789	196,998	33,209	181,473	15,525	-
OCT	226,210	165,320	209,840	44,519	181,473	28,367	-
NOV	210,651	93,081	125,825	32,743	181,473	(55,649)	-
DEC	209,265	85,779	-	-	181,473	-	-
JAN	236,228	59,945	-	-	181,473	-	-
FEB	195,940	50,624	-	-	181,473	-	-
MAR	160,439	193,889	-	-	181,473	-	-
Total	2,509,881	1,004,200	1,371,968	758,006	2,181,677	(83,816)	-



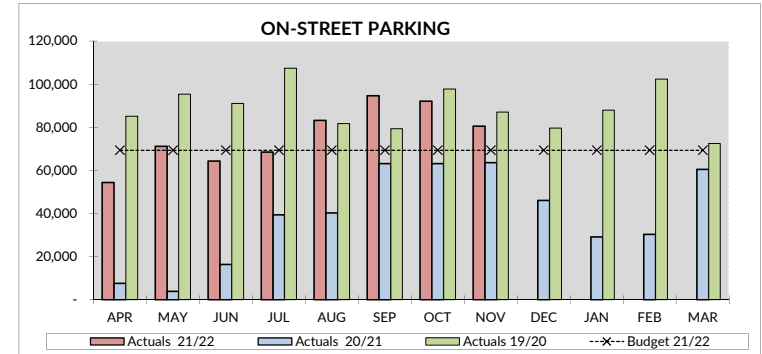
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Appendix B: CAR PARKS (HWCARP)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	213,119	1,513	115,730	114,217	181,473	(65,743)	-
MAY	423,932	1,671	258,422	256,750	362,946	(104,525)	-
JUNE	644,570	16,260	448,706	432,446	548,419	(99,713)	-
JUL	869,247	103,018	646,980	543,962	729,892	(82,912)	-
AUG	1,065,411	191,772	839,306	647,534	911,365	(72,060)	-
SEP	1,271,148	355,561	1,036,304	680,743	1,092,838	(56,534)	-
OCT	1,497,358	520,882	1,246,144	725,262	1,274,312	(28,168)	-
NOV	1,708,009	613,963	1,371,968	758,006	1,455,785	(83,816)	-
DEC	1,917,274	699,741	-	-	1,637,258	-	-
JAN	2,153,502	759,687	-	-	1,818,731	-	-
FEB	2,349,442	810,311	-	-	2,000,204	-	-
MAR	2,509,881	1,004,200	-	-	2,181,677	-	-

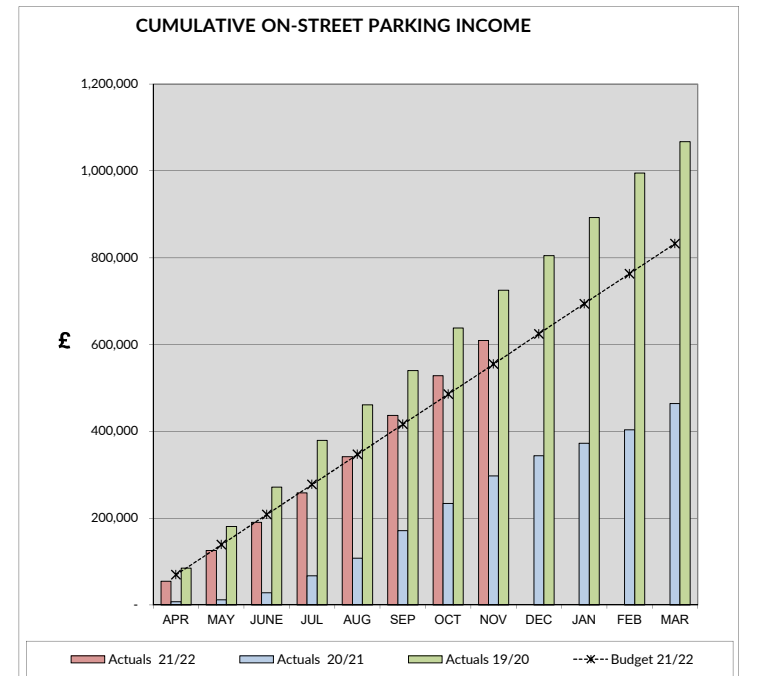


CUMULATIVE BREAKDOWN - HWCARP	Code	Actual (Cumulative)	Budget	(Monthly)
DAY TICKETS	3300	1,191,274	1,254,056	118,316
EXCESS / PENALTY CHARGES	***1/**3			
SEASON TICKETS	3310, **2	167,654	183,242	6,279
SEASON TICKET CAR PARK	3310			
OTHER	9999, 34**	217	4,487	(20)
WAIVERS	3404			
RENT	86**	12,824	14,000	1,250
Business Permits	3406 /3408			
Total		1,371,968	1,455,785	125,825

Appendix B: ON-STREET PARKING (HWDCRIM / HWENFORC)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	85,115	7,676	54,350	46,674	69,385	(15,035)	-
MAY	95,338	3,884	71,258	67,374	69,385	1,873	-
JUN	91,102	16,355	64,364	48,009	69,385	(5,022)	-
JUL	107,391	39,461	68,471	29,010	69,385	(914)	-
AUG	81,797	40,276	83,237	42,961	69,385	13,852	-
SEP	79,308	63,135	94,718	31,583	69,385	25,333	-
OCT	97,818	63,193	92,091	28,898	69,385	22,706	-
NOV	87,032	63,639	80,534	16,895	69,385	11,149	-
DEC	79,729	46,090	-	-	69,385	-	-
JAN	88,036	29,146	-	-	69,385	-	-
FEB	102,372	30,326	-	-	69,385	-	-
MAR	72,578	60,489	-	-	69,385	-	-
Total	1,067,616	463,670	609,024	311,405	832,621	53,943	-

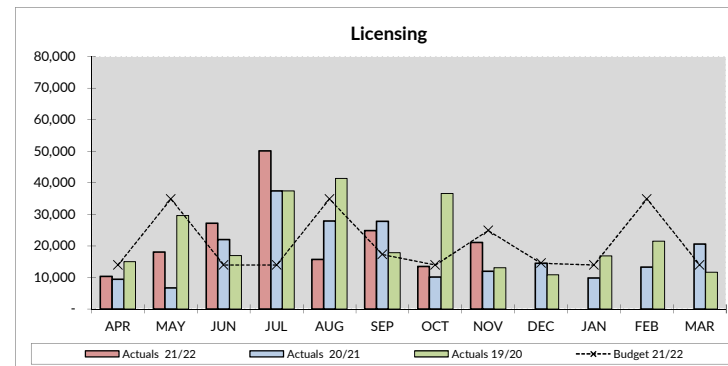


ON-STREET PARKING (CUMULATIVE)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	85,115	7,676	54,350	46,674	69,385	(15,035)	-
MAY	180,453	11,560	125,609	114,049	138,770	(13,161)	-
JUNE	271,555	27,915	189,972	162,057	208,155	(18,183)	-
JUL	378,946	67,376	258,443	191,067	277,540	(19,097)	-
AUG	460,743	107,652	341,680	234,028	346,925	(5,245)	-
SEP	540,051	170,787	436,399	265,612	416,310	20,088	-
OCT	637,869	233,980	528,490	294,510	485,696	42,794	-
NOV	724,901	297,619	609,024	311,405	555,081	53,943	-
DEC	804,630	343,709	-	-	624,466	-	-
JAN	892,666	372,855	-	-	693,851	-	-
FEB	995,038	403,181	-	-	763,236	-	-
MAR	1,067,616	463,670	-	-	832,621	-	-

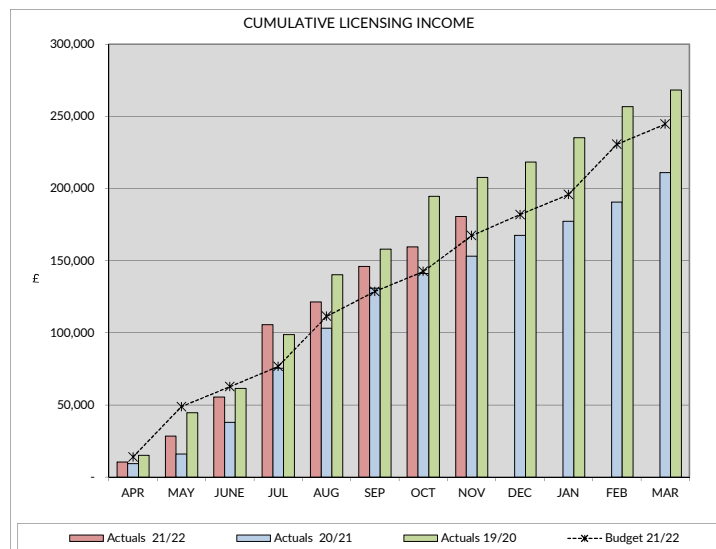


CUMULATIVE BREAKDOWN - HWDCRIM / HWENFORC	Code	Actual (Cumulative)	Budget	(Monthly)
ON STREET PARKING	3300	251,515	286,664	22,059
PENALTY NOTICES	3403	254,983	183,229	48,814
WAIVERS	3404	19,511	7,543	2,876
Driveway Access Protection Lines	3405	1,148	-	83
RESIDENTS PERMITS	3406	58,100	36,205	6,433
BUSINESS PERMITS	3408	3,553	41,440	270
OTHER	9999	20,214	-	-
Total		609,024	555,081	80,534

Appendix B: Licensing (EHLICREG & DSTAXIL)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	14,991	9,404	10,356	952	13,909	(3,553)	-
MAY	29,570	6,655	18,021	11,366	34,839	(16,818)	-
JUN	16,865	21,969	27,128	5,159	13,909	13,219	-
JUL	37,419	37,346	50,067	12,721	13,909	36,157	-
AUG	41,305	27,847	15,709	(12,138)	34,839	(19,130)	-
SEP	17,814	27,783	24,814	(2,969)	17,221	7,592	-
OCT	36,559	10,099	13,479	3,380	13,909	(431)	-
NOV	13,047	11,939	21,101	9,162	24,839	(3,738)	(8,525)
DEC	10,833	14,460	-	-	14,489	-	-
JAN	16,790	9,782	-	-	13,909	-	-
FEB	21,506	13,232	-	-	34,839	-	-
MAR	11,638	20,550	-	-	13,909	-	-
Total	268,337	211,066	180,675	27,633	244,520	13,298	(8,525)

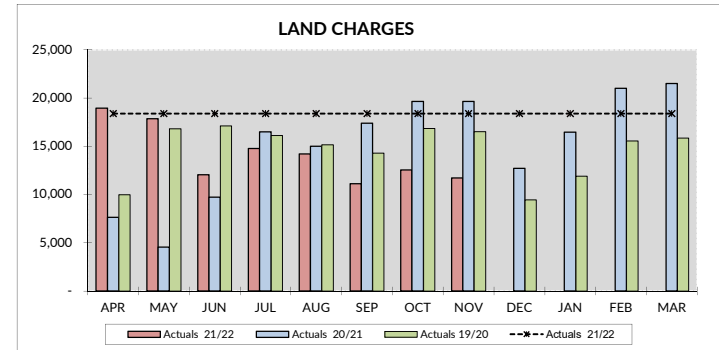


Licensing (CUMULATIVE)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	14,991	9,404	10,356	952	13,909	(3,553)	-
MAY	44,561	16,059	28,377	12,318	48,749	(20,372)	-
JUNE	61,426	38,028	55,505	17,477	62,658	(7,153)	-
JUL	98,845	75,374	105,572	30,198	76,568	29,004	-
AUG	140,150	103,221	121,281	18,060	111,407	9,874	-
SEP	157,964	131,004	146,095	15,091	128,629	17,466	-
OCT	194,523	141,103	159,573	18,470	142,538	17,035	-
NOV	207,570	153,042	180,675	27,633	167,377	13,297	-
DEC	218,403	167,502	-	-	181,867	-	-
JAN	235,193	177,284	-	-	195,776	-	-
FEB	256,699	190,516	-	-	230,616	-	-
MAR	268,337	211,066	-	-	244,525	-	-

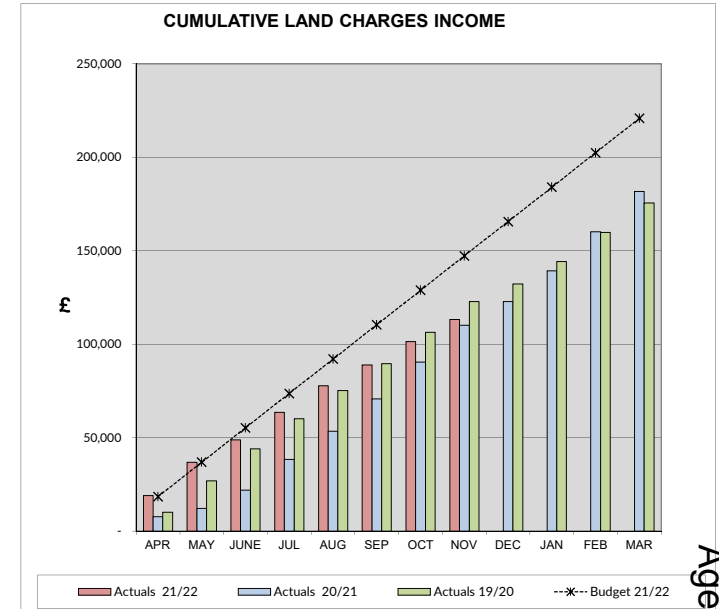


CUMULATIVE BREAKDOWN - EHLICREG/DSTAXIL	Code	Actual (Cumulative)	Budget	(Monthly)
Pre-application advice	EHLICREG/2189	-243	-	-
Personal Licences	EHLICREG/2190	2,023	1,480	366
Premises Licence Annual Fee/Premises New/Premises Variation	EHLICREG/2192/2193	87,723	60,123	6,926
Temporary Event Notice	EHLICREG/2193	4,557	2,807	756
Gambling Act Permits/Lottery	EHLICREG/2196/7	5,173	6,049	650
Pavement Licence	EHLICREG/2222	1,500	-	-
Scrap Metal Dealers	EHLICREG/2241	0	-	-
Taxi Licensing	94300/DSTAXIL	70,422	96,918	11,914
Other	94300/DSTAXIL/94300	9,520	-	490
Total		180,675	167,377	21,101

Appendix B: LAND CHARGES (LPLNDCH)				Increase / (decrease) from 20/21 to 21/22		Variance (Budget- Manager's Actuals)		Forecast	
	Actuals 19/20	Actuals 20/21	Actuals 21/22	from 20/21 to 21/22	Budget 21/22	Actuals	Forecast		
APR	9,967	7,630	18,930	11,300	18,398	18,398	532	-	-
MAY	16,828	4,532	17,846	13,314	18,398	18,398	(551)	-	-
JUN	17,112	9,717	12,054	2,337	18,398	18,398	(6,344)	-	-
JUL	16,113	16,500	14,749	(1,751)	18,398	18,398	(3,648)	-	-
AUG	15,149	14,999	14,184	(815)	18,398	18,398	(4,213)	-	-
SEP	14,286	17,377	11,125	(6,252)	18,398	18,398	(7,273)	-	-
OCT	16,854	19,628	12,546	(7,082)	18,398	18,398	(5,851)	-	-
NOV	16,519	19,636	11,699	(7,937)	18,398	18,398	(6,699)	-	-
DEC	9,444	12,692	-	-	18,398	18,398	-	-	-
JAN	11,917	16,441	-	-	18,398	18,398	-	-	-
FEB	15,554	20,998	-	-	18,398	18,398	-	-	-
MAR	15,857	21,489	-	-	18,398	18,398	-	(40,000)	-
Total	175,600	181,639	113,133	3,114	220,773	(34,049)	(40,000)		

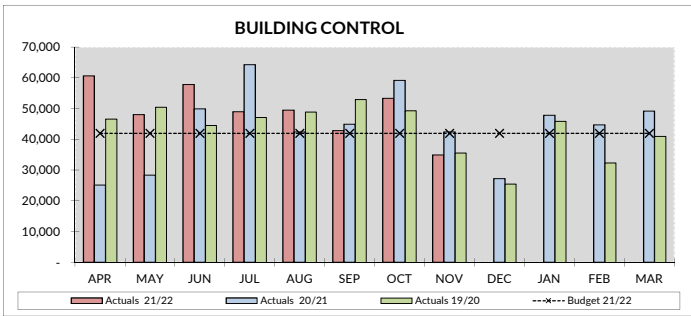


LAND CHARGES (CUMULATIVE)				Increase / (decrease) from 20/21 to 21/22		Variance (Budget- Manager's Actuals)		Forecast	
	Actuals 19/20	Actuals 20/21	Actuals 21/22	from 20/21 to 21/22	Budget 21/22	Actuals	Forecast		
APR	9,967	7,630	18,930	11,300	18,398	18,398	532	-	-
MAY	26,795	12,162	36,776	24,614	36,796	36,796	(20)	-	-
JUNE	43,907	21,879	48,830	26,951	55,193	55,193	(6,364)	-	-
JUL	60,020	38,379	63,579	25,200	73,591	73,591	(10,012)	-	-
AUG	75,169	53,378	77,763	24,385	91,989	91,989	(14,225)	-	-
SEP	89,455	70,755	88,888	18,133	110,387	110,387	(21,498)	-	-
OCT	106,309	90,383	101,435	11,052	128,784	128,784	(27,350)	-	-
NOV	122,828	110,019	113,133	3,114	147,182	147,182	(34,049)	-	-
DEC	132,272	122,711	-	-	165,580	165,580	-	-	-
JAN	144,188	139,152	-	-	183,978	183,978	-	-	-
FEB	159,742	160,150	-	-	202,375	202,375	-	-	-
MAR	175,599	181,639	-	-	220,773	220,773	-	(40,000)	-

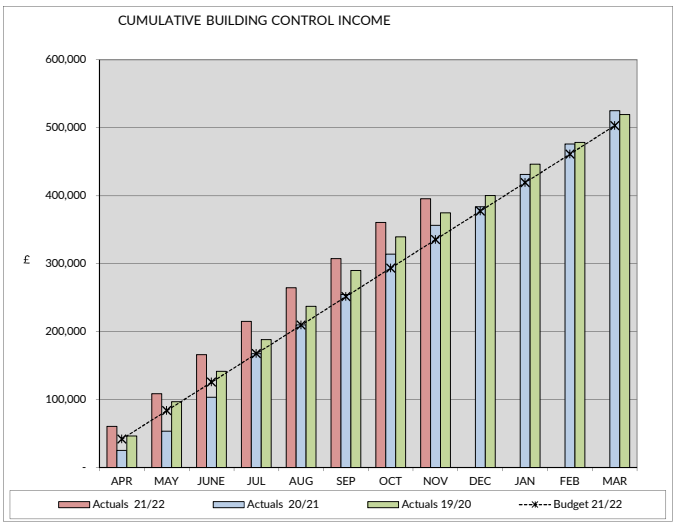


CUMULATIVE BREAKDOWN - LPLNDCH	Received (Month)	Percentage (Month)	Percentage (Month 20/21)	Percentage (Cumulative)
Searches Received - Paper	0	0%	0%	2
Searches Received - Electronic	97	100%	85%	882
Searches Received - Personal	0	0%	15%	155
Total	97	100%	100%	1,039

Appendix B: BUILDING CONTROL (DVBCFEE)				Increase /	Variance		Manager's Forecast
	Actuals 19/20	Actuals 20/21	Actuals 21/22	(decrease) from 20/21 to 21/22	(Budget-Actuals)	Budget 21/22	
APR	46,552	25,107	60,545	35,438	41,931	18,614	-
MAY	50,427	28,305	47,988	19,683	41,931	6,057	-
JUN	44,461	49,857	57,741	7,884	41,931	15,811	-
JUL	47,025	64,205	48,928	(15,277)	41,931	6,997	-
AUG	48,869	42,367	49,476	7,109	41,931	7,545	38,000
SEP	52,900	44,930	42,851	(2,079)	41,931	920	-
OCT	49,220	59,144	53,334	(5,810)	41,931	11,403	-
NOV	35,500	42,429	34,867	(7,562)	41,931	(7,064)	-
DEC	25,489	27,203	-	-	41,931	-	-
JAN	45,849	47,838	-	-	41,931	-	-
FEB	32,288	44,709	-	-	41,931	-	-
MAR	40,975	49,136	-	-	41,931	-	-
Total	519,555	525,230	395,730	39,386	503,168	60,284	38,000



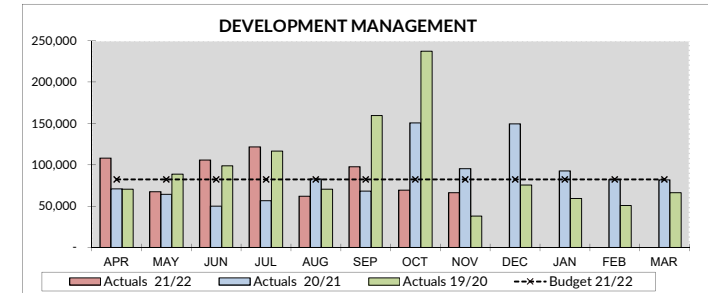
BUILDING CONTROL (CUMULATIVE)				Increase /	Variance		Manager's Forecast
	Actuals 19/20	Actuals 20/21	Actuals 21/22	(decrease) from 20/21 to 21/22	(Budget-Actuals)	Budget 21/22	
APR	46,552	25,107	60,545	35,438	41,931	18,614	-
MAY	96,979	53,412	108,533	55,121	83,861	24,671	-
JUNE	141,440	103,269	166,274	63,005	125,792	40,482	-
JUL	188,465	167,474	215,202	47,728	167,723	47,479	-
AUG	237,334	209,841	264,678	54,837	209,653	55,024	-
SEP	290,234	254,771	307,529	52,758	251,584	55,945	-
OCT	339,454	313,915	360,863	46,948	293,515	67,348	-
NOV	374,954	356,344	395,730	39,385	335,445	60,284	-
DEC	400,443	383,547	-	-	377,376	-	-
JAN	446,292	431,385	-	-	419,307	-	-
FEB	478,580	476,094	-	-	461,237	-	-
MAR	519,555	525,230	-	-	503,168	-	-



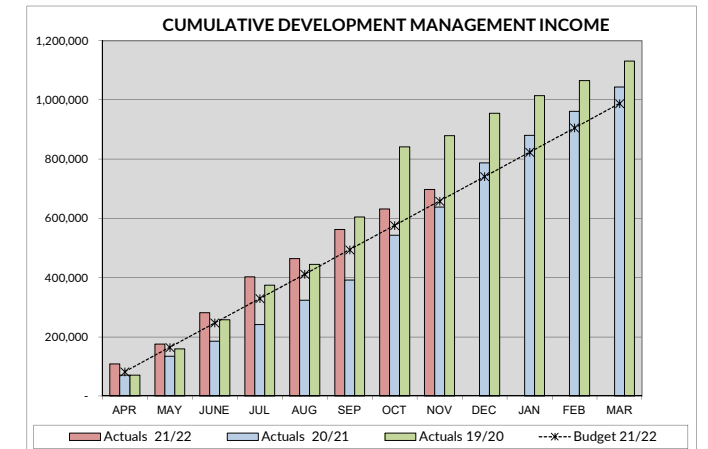
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CUMULATIVE BREAKDOWN	Code	Actual (Cumulative)	Budget	(Monthly)
Plan Fee	3066	258,089	208,232	26,738
Inspection Fee	3067	135,890	127,213	7,954
Other	9999	1,750	-	175
New Burdens Grant	3905	0	-	-
Total		395,729	335,445	34,867

Appendix B: DEVELOPMENT MANAGEMENT (DVDEVCT/DVDEVRND)				Increase /			Variance	Manager's Forecast
	Actuals 19/20	Actuals 20/21	Actuals 21/22	(decrease) from 20/21 to 21/22	Budget 21/22	(Budget-Actuals)		
APR	70,363	70,765	108,220	37,455	82,352	25,869	-	
MAY	88,827	64,358	67,370	3,012	82,352	(14,982)	-	
JUN	98,710	49,790	105,814	56,024	82,352	23,462	-	
JUL	116,501	56,443	121,474	65,031	82,352	39,122	-	
AUG	70,614	82,700	61,771	(20,930)	82,352	(20,581)	51,500	
SEP	159,361	68,065	97,539	29,474	82,352	15,187	-	
OCT	237,506	150,748	69,405	(81,343)	82,352	(12,947)	-	
NOV	37,774	95,145	66,081	(29,064)	82,352	(16,270)	-	
DEC	75,475	149,560	-	-	82,352	-	-	
JAN	59,329	92,513	-	-	82,352	-	-	
FEB	50,534	81,896	-	-	82,352	-	-	
MAR	66,253	81,833	-	-	82,352	-	-	
Total	1,131,247	1,043,816	697,674	59,659	988,224	38,860	51,500	



DEVELOPMENT MANAGEMENT (CUMULATIVE)				Increase /			Variance	Manager's Forecast
	Actuals 19/20	Actuals 20/21	Actuals 21/22	(decrease) from 20/21 to 21/22	Budget 21/22	(Budget-Actuals)		
APR	70,363	70,765	108,220	37,455	82,352	25,869	-	
MAY	159,190	135,123	175,590	40,467	164,703	10,887	-	
JUNE	257,900	184,913	281,404	96,491	247,055	34,349	-	
JUL	374,401	241,356	402,878	161,522	329,407	73,471	-	
AUG	445,015	324,056	464,648	140,592	411,758	52,890	51,500	
SEP	604,376	392,121	562,187	170,066	494,110	68,077	-	
OCT	841,882	542,869	631,592	88,722	576,462	55,130	-	
NOV	879,656	638,014	697,673	59,659	658,813	38,860	-	
DEC	955,131	787,574	-	-	741,165	-	-	
JAN	1,014,460	880,087	-	-	823,517	-	-	
FEB	1,064,994	961,983	-	-	905,868	-	-	
MAR	1,131,247	1,043,816	-	-	988,220	-	-	



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CUMULATIVE BREAKDOWN: DVDEVCT/DVDEVRND				
Code	Actual (Cumulative)	Budget	(Monthly)	
Planning Application Fees	578,901	582,753	56,285	
Other	10,923	5,901	4,920	
Planning Performance Agreements	50,000	0	-	
Pre-application Fees	2,483	0	-	
Pre-application Fees	52,366	62,181	4,877	
Monitoring Fees	3,000	7,979	-	
RECH-Other A/C'S				
Total	697,673	658,813	66,081	

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TREASURY MANAGEMENT STRATEGY 2022/23

Cabinet - 10 February 2022

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

Status: For Decision

Also considered by:

- Finance & Investment Advisory Committee - 11 January 2022
- Council - 22 February 2022

Key Decision: No

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

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

The Annual Investment Strategy remains largely the same as for 2021/22 with the addition of Bond, Property, Equity and Multi-Asset Funds as an alternative investment option.

It should be noted that changes to the Treasury Management and Prudential Codes will take effect from 2023/24.

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

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer: Roy Parsons, Ext. 7204

Recommendation to Finance & Investment Advisory Committee:

That the report be noted and comments forwarded to Cabinet.

Recommendation to Cabinet:

That, subject to the comments of the Finance & Investment Advisory Committee, Cabinet recommend that Council approve the Treasury Management Strategy for 2022/23.

Recommendation to Council:

That the Treasury Management Strategy for 2022/23 be approved.

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

Background

- 1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from the day to day treasury management activities.
- 5 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Introduction

Reporting requirements - Capital Strategy

- 6 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed; and
 - the implications for future financial sustainability.
- 7 The aim of this capital strategy is to ensure that Members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

Reporting requirements - Treasury Management

- 8 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Finance & Investment Advisory Committee.

a) Prudential and treasury indicators and treasury strategy (this report) -

The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

b) A mid-year treasury management report -

This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c) An annual treasury report -

This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

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Treasury Management Strategy for 2022/23

9 The strategy for 2022/23 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators; and
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on the use of external service providers.

10 These elements cover the requirements of the Local Government Act 2003, the Department of Levelling Up, Housing and Communities (DLUHC) MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Training

11 The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training was last undertaken on 14 November 2018 and further training will be arranged as required.

12 The training needs of treasury management officers are reviewed periodically.

Treasury management consultants

13 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

14 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury management advisors.

- 15 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The Capital Prudential Indicators 2022/23 - 2024/25

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

Capital Expenditure

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

Capital expenditure	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Services	8,693	15,073	9,111	4,077	2,049
Total	8,693	15,073	9,111	4,077	2,049

- 18 The above financing need excludes other long term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.
- 19 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing) although this may be funded through internal borrowing initially.

Financing of capital expenditure	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital expenditure	8,693	15,073	9,111	4,077	2,049
Financed by:					
Capital receipts	8,504	4,062	639	1,556	8
Capital grants	0	2,028	2,618	1,128	1,128

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Financing of capital expenditure	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital reserves	0	563	593	563	563
Mixed funding	189	420	4,211	830	350
Net financing need for the year	0	8,000	1,050	0	0

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

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

Capital Financing Requirement	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Services	27,515	35,230	42,944	43,708	43,422
Total CFR	35,230	42,944	43,708	43,422	43,136
Movement in CFR	7,715	7,714	764	-286	-286

Capital Financing Requirement	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Movement in CFR represented by:					
Net financing need for the year (above)	0	8,000	1,050	0	0
<u>Less</u> MRP/VRP and other financing movements	7,715	-286	-286	-286	-286
Movement in CFR	7,715	7,714	764	-286	-286

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

Core Funds and Expected Investment Balances

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

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Year End Resources	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Fund balances / reserves	22,888	26,264	23,004	18,663	16,580
Capital receipts	8,504	4,062	639	1,556	8
Provisions	409	409	409	409	409
Other	0	0	0	0	0
Total core funds	31,801	30,735	24,052	20,628	16,997
Working capital*	9,033	9,133	9,233	9,333	9,433
Under/(over) borrowing	28,063	27,903	29,135	29,327	29,528
Expected investments	12,771	11,965	4,150	634	-3,097

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

Minimum revenue provision (MRP) policy statement

- 25 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 26 DLUHC regulations have been issued which require the full Council to approve an MRP statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP statement:
- 27 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be based on CFR. This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.
- 28 From 1 April 2008 for all unsupported borrowing (including PFI and finance leases), the MRP policy will be either:
- Asset life method - MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction); or

- Depreciation method - MRP will follow standard depreciation accounting procedures.

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

- 29 It is proposed to use the 'asset life method' in the calculation of the Council's MRP. In choosing to do so, there are two options available:
- Equal instalments - where the principal repayment made is the same in each year; or
 - Annuity - where the principal repayments increase over the life of the asset.
- 30 Of the two options, the annuity method seems to be the most suitable for the Council at this time, particularly for assets that generate income. It matches the repayment profile to how the benefits of the asset financed by borrowing are consumed over its useful life (i.e. it reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years). Interest will be greater at the beginning of the loan, at which time all of the principal is outstanding, so the amount of principal repayment is lower in the initial years. The schedule of charges produced by the annuity method results in a consistent charge of principal and interest over an asset's life, taking into account the real value of the annual charges when they fall due.
- 31 MRP commences in the financial year following that in which the expenditure is incurred, or in the year following that in which the relevant asset becomes operational. This enables an MRP "holiday" to be taken in relation to assets which take more than one year to be completed before they become operational.
- 32 MRP Overpayments - A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2021 the total VRP overpayments have been nil.

The Borrowing and Repayment Strategy

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

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indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

- 34 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the CFR), highlighting any over or under borrowing.

External debt	2020/21 Actual £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt at 1 April	5,015	4,892	12,766	12,298	11,820
Expected change in Debt	-123	7,874	-468	-478	-487
Other long-term liabilities (OLTL)	2,275	2,275	2,275	2,275	2,275
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	7,167	15,041	14,573	14,095	13,608
The Capital Financing Requirement (CFR)	35,230	42,944	43,708	43,422	43,136
Under / (over) borrowing	28,063	27,903	29,135	29,327	29,528

- 35 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 36 The Deputy Chief Executive and Chief Officer - Finance & Trading reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: Limits to Borrowing ActivityThe operational boundary

- 37 This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt	30,000	30,000	30,000	30,000
Other long term liabilities	2,275	2,275	2,275	2,275
Total	32,275	32,275	32,275	32,275

The authorised limit for external debt

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

Authorised limit	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt	35,000	35,000	35,000	35,000
Other long term liabilities	2,275	2,275	2,275	2,275
Total	37,275	37,275	37,275	37,275

Prospects for interest rates

- 41 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 20 December 2021. These are forecasts for PWLB certainty rates (gilt yields plus 80bps).

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

- 42 Appendix A draws together a number of current City views on the prospects for short term and longer fixed interest rates. Appendix B contains Link Group's latest economic background report and the risks for interest rates as at December 2021.

Borrowing Strategy

- 43 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement or CFR) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 44 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Deputy Chief Executive and Chief Officer - Finance & Trading will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, then long term borrowings will be postponed.*
 - *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

- 45 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

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

Debt rescheduling

- 48 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the level of debt is relatively low and there is still a very large difference between premature redemption rates and new borrowing rates.
- 49 If rescheduling were to be carried out, it will be reported to Cabinet at the earliest meeting following its action.

New financial institutions as a source of borrowing

- 50 Currently, the PWLB Certainty Rate is set at gilts plus 80 bps. However, consideration may still need to be given to obtaining funding from the following sources:
- Local authorities (primarily shorter dated maturities out to 3 years or so, which are still cheaper than the Certainty Rate).
 - Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates, where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
 - Municipal Bonds Agency.
- 51 Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Affordability prudential indicators

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

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Ratio of financing costs to net revenue stream

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

Ratio of financing costs	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Services	1%	1%	2%	2%	2%
Total	1%	1%	2%	2%	2%

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

Maturity structure of borrowing

- 54 These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- 55 Members are asked to note the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%
Maturity structure of variable interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

Annual Investment Strategy

Current investment portfolio position

- 56 The Council’s treasury portfolio position at 1 December 2021 appears in Appendix C.
- 57 The Council’s global investment position are shown in Appendix C including loans to other organisations.

Loans to other organisations

- 58 The Council has loaned money to other organisations. Details appear in Appendix C.

Investment policy - management of risk

- 59 The Department of Levelling Up, Housing & Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, as managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).
- 60 The Council’s investment policy has regard to the following:
- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2018
- 61 The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return).
- 62 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:-
- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - b) Credit ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - c) Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - d) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Appendix D under the categories of ‘specified’ and ‘non-specified’ investments.
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex

instruments which require greater consideration by members and officers before being authorised for use.

- e) The Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio (see paragraph 68).
- f) Lending limits (amounts and maturity) for each counterparty will be set through applying the table in paragraph 70.
- g) This authority will set a limit for the amount of its investments which are invested for longer than 365 days (see paragraph 82).
- h) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see Appendix E and paragraphs 74 and 75).
- i) This authority has engaged external consultants, Link Group to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- j) All investments will be denominated in sterling.
- k) As a result of the change in accounting standards for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the Ministry of Housing, Communities and Local Government (MHCLG) concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending on 31 March 2023.

62 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see paragraph 83). Regular monitoring of investment performance will be carried out during the year.

63 The above criteria are unchanged from the current financial year.

Creditworthiness policy

64 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the

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Council's prudential indicators covering the maximum principal sums invested.

- 65 The Deputy Chief Executive and Chief Officer - Finance & Trading will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 66 Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions
- 67 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:
- Banks 1 (Good credit quality). UK banks having, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):
 - i. Short Term - F1
 - ii. Long Term - A-
 - Banks 2 (Good credit quality). Non-UK banks domiciled in a country which has a minimum sovereign Long Term rating of AA- and having, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where appropriate):
 - i. Short Term - F1
 - ii. Long Term - A-
 - Banks 3 (Part nationalised UK Bank - Royal Bank of Scotland). This bank can be included provided it continues to be part nationalised or it meets the rating requirements in Banks 1 above.
 - Banks 4 (The Council's own banker for transactional purposes, if it falls below the above criteria). Balances will be minimised in both monetary size and time invested.
 - Bank subsidiary and treasury operation. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
 - Building societies. The Council will use all societies which:

- i. Meet the ratings for banks outlined above; or
 - ii. Have assets in excess of £3bn;
or meet both criteria.
- Money Market Funds (MMFs). Minimum AAA credit rating from at least two of the three rating agencies and with a fund size in excess of £1bn. New EU regulations implemented in January 2019 changed fund valuation methodology from Constant Net Asset Valuation (CNAV) to either Low Volatility Net Asset Valuation (LVNAV) or CNAV. As a consequence, the Council approves the use of Money Market Funds that operate under CNAV (those that invest exclusively in government securities) or operate under LVNAV (all other liquidity funds)
 - Bond, Property, Equity or Multi-Asset Funds.
 - UK Government (including gilts, Treasury Bills and the DMADF).
 - Local authorities, housing associations, parish councils etc.
- 68 A limit of 50% will be applied to the use of non-specified investments.
- 69 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.
- 70 The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

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	Fitch Long Term Rating (or equivalent)	Money and/or % Limit	Time Limit
Banks 1	A-	£7m	2 years
Banks 2	A-	£5m	2 years
Banks 3	N/A	£7m	2 years
Banks 4	N/A	£7m	1 day
Bank subsidiaries	A-	£7m	2 years
Rated building societies (assets over £3bn)	N/A	£5m	2 years
Unrated building societies (assets over £3bn)	N/A	£3m	1 year
Money Market Funds (CNAV)	AAA	£5m (per Fund)	Liquid
Money Market Funds (LVNAV)	AAA	£5m (per Fund)	Liquid
Bond, Property, Equity & Multi-Asset Funds	N/A	£5m (per Fund)	Liquid
UK Government DMADF	UK sovereign rating	£5m	6 months
Local authorities, housing associations etc	N/A	£5m (each)	2 years

- 71 The proposed criteria for specified and non-specified investments are shown in Appendix D.

Creditworthiness issues

- 72 Significant levels of downgrades to short- and long-term credit ratings have not materialised since the coronavirus crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

- 73 Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link Group monitor CDS prices as part of their creditworthiness service to local authorities.

Other limits

- 74 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.
- 75 The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- 76 In addition:
- no more than 15% of the total fund will be placed with any non-UK country at any time. The only country, other than the UK, currently approved for investment is Sweden;
 - total investment in any single institution , or institutions within a group of companies, is limited to 25% of the total fund at the time an investment is placed;

Investment Strategy

- 77 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 78 Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.
- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
 - Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.
- 79 The current forecast shown above includes a forecast for a first increase in Bank Rate in May 2022, though it could come in February.

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80 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (based on a first increase in Bank Rate in quarter 2 of 2022):

- 2022/23 0.50%
- 2023/24 0.75%
- 2024/25 1.00%
- 2025/26 1.25%
- Later years 2.00%

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

82 Members are asked to note the following treasury indicator and limit. These limits are set with regard to the Council's liquidity requirements and to reduce the need for an early sale of an investment. They are based on the availability of funds after each year-end.

Upper limit for principal sums invested for longer than 365 days	2022/23 £m	2023/24 £m	2024/25 £m
Limit for principal sums invested for longer than 365 days	£10m	£10m	£10m
Current investments at 1/12/21 in excess of 1 year maturing in each year	-	-	-

Investment risk benchmarking

83 The Council will use an investment benchmark to assess the performance of its portfolio. The benchmarks will be 7 day and 3 month LIBID uncompounded for the time being. Publication of official LIBOR figures (and related LIBID calculations) will cease in 2022 and be replaced with SONIA (Sterling Overnight Index Average), which is the risk-free rate for sterling markets administered by the Bank of England.

End of year investment report

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

Scheme of delegation

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

Revision of the treasury management and prudential codes and the role of the Section 151 officer

- 86 As with the scheme of delegation mentioned in the previous paragraph, a statement of the role of the Section 151 officer is also required. This appears at Appendix G. This has been expanded to take account of the anticipated additional disclosure requirements resulting from CIPFA's review of the Treasury Management and Prudential Codes. Link Group's high level appraisal of the new codes appears at Appendix H.

Key Implications

Financial

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

Legal Implications and Risk Assessment Statement

Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.

This treasury management strategy report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2017.

Treasury management has two main risks :

- Fluctuations in interest rates can result in a reduction in income from investments; and
- A counterparty to which the Council has lent money fails to repay the loan at the required time.

Consideration of risk is integral in our approach to treasury management. The movement in previous years towards having a restricted lending list of better quality institutions but higher individual limits with those institutions has reduced the chances of a default. But if a default did occur, the potential loss would be greater.

These risks are mitigated by the annual investment strategy which has been prepared on the basis of achieving the optimum return on investments commensurate with proper levels of security and liquidity. However, Members

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should recognise that in the current economic climate, these remain significant risks and that the strategy needs to be constantly monitored.

Equality Assessment

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

Conclusions

The effect of the proposals set out in this report is to allow the Council to effectively and efficiently manage cash balances.

In line with the revised CIPFA Code of Practice on Treasury Management, the Annual Treasury Strategy Statement must be considered by Council and this is planned for its meeting on 22 February 2022.

Appendices

Appendix A - Prospects for interest rates

Appendix B - Economic background and interest rate risks

Appendix C - Investment and Loan portfolio at 1 December 2021

Appendix D - Specified and non-specified investments

Appendix E - Approved countries for investments

Appendix F - Treasury management scheme of delegation

Appendix G - The treasury management role of the S151 officer

Appendix H - 2021 revised Treasury Management and Prudential Codes

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

APPENDIX A: Prospects for interest rates

- The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 20 December 2021. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 20.12.21															
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00	
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10	
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20	
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00	
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30	
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50	
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30	

- Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16 December 2021.
- As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Significant risks to the forecasts

- Labour and supply shortages prove more enduring and disruptive and depress economic activity.
- Mutations of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- The Bank of England’s Monetary Policy Committee (MPC) acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

- The MPC tightens monetary policy too late to ward off building inflationary pressures.
 - The Government acts too quickly to cut expenditure to balance the national budget.
 - UK / EU trade arrangements - if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
 - German general election in September 2021. Germany faces months of uncertainty while a new coalition government is cobbled together after the indecisive result of the election. Once that coalition is formed, Angela Merkel's tenure as Chancellor will end and will leave a hole in overall EU leadership.
 - Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast.
 - Major stock markets e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the "moral hazard" risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
 - Geopolitical risks, for example in Ukraine, Iran and North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.
- The balance of risks to the UK economy: -
- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

4 It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if

there is, whether there would be significant fiscal support from the Government for businesses and jobs.

- There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- It looks as if the economy coped well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- It is also recognised that there could be further nasty surprises on the Covid front beyond the Omicron mutation.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no deal Brexit.

5 In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will be revised again over the next few months - in line with whatever the new news is.

6 It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank

Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

- 7 Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.
- 8 While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.
- 9 US treasury yields. During the first part of 2021, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure, (which was eventually passed by both houses later in 2021), and an even larger sum on an American families plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when:
 - A fast vaccination programme had enabled a rapid opening up of the economy during 2021.
 - The economy was growing strongly during the first half of 2021 although it has weakened overall during the second half.
 - It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
 - And the Fed was still providing substantial stimulus through monthly QE purchases during 2021.
- 10 It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its December meeting with an aggressive response to damp inflation down during 2022 and 2023.
- 11 At its 3rd November Fed meeting, the Fed decided to make a start on tapering its \$120bn per month of QE purchases so that they ended next June. However, at its 15th December meeting it doubled the pace of tapering so that they will end all purchases in February. These purchases are currently acting as downward pressure on treasury yields and so it would be

expected that Treasury yields will rise over the taper period and after the taper ends, all other things being equal. The Fed also forecast that it expected there would be three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy.

- 12 There are also possible downside risks from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to monitor.
- 13 There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors: -
- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
 - Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
 - Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
 - How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields?
 - How will central banks implement their new average or sustainable level inflation monetary policies?
 - How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
 - Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The balance of risks to medium to long term PWLB rates

- 14 There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era - a fundamental shift in central bank monetary policy

- 15 One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the European Central Bank (ECB), to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US, before consideration would be given to increasing rates.
- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
 - The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ before starting on raising Bank Rate and the ECB now has a similar policy.
 - For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.
 - Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
 - Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

Investment and borrowing rates

- 16 Investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.

- 17 Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- 18 On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows:-
- PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
 - PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)
 - Local Infrastructure Rate is gilt plus 60bps (G+60bps)
- 19 Borrowing for capital expenditure. The Link Group long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition, there are also some cheap alternative sources of long-term borrowing if an authority is seeking to avoid a “cost of carry” but also wishes to mitigate future re-financing risk.
- 20 While this authority will not be able to avoid borrowing to finance new capital expenditure, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances.

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APPENDIX B: Economic background and interest rate risks

Economic background

COVID-19 vaccines

- 1 These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the pingdemic in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid. However, the biggest impact on growth would come from another lockdown if that happened. The big question still remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- 2 In December, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- 3 The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.

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- 4 If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- 5 With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- 6 The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- 7 Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- 8 However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.
- 9 We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- 10 Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- 11 How quickly can science come up with a mutation proof vaccine, or other treatment, - and for them to be widely administered around the world?
- 12 Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

MPC MEETING 16H DECEMBER 2021

- 13 The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- 14 The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.

- 15 On 10th December 2021 we learnt of the disappointing 0.1% m/m rise in GDP in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.
- 16 On 14th December 2021, the labour market statistics for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.
- 17 These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.
- 18 On 15th December 2021 we had the CPI inflation figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- 19 Other elements of inflation are also transitory e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- 20 Although it is possible that the Government could step in with some fiscal support for the economy, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore,

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effectively leave it to the MPC, and to monetary policy, to support economic growth - but at a time when the threat posed by rising inflation is near to peaking!

- 21 This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a surprise increase in Bank Rate from 0.10% to 0.25%. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that "there has been significant upside news" and that "there were some signs of greater persistence in domestic costs and price pressures".
- 22 On the other hand, it did also comment that "the Omicron variant is likely to weigh on near-term activity". But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now "these conditions had been met". It also appeared more worried about the possible boost to inflation from Omicron itself. It said that "the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation". It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning "global price pressures might persist for longer". (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)
- 23 On top of that, there were no references this month to inflation being expected to be below the 2% target in two years' time, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- 24 These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a "modest tightening" in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. "Modest" seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.
- 25 In as much as a considerable part of the inflationary pressures at the current time are indeed transitory, and will naturally subside, and since economic

growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.

- 26 As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- 27 The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
- Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- 28 **US.** Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, CPI inflation hit a near 40-year record level of 6.8% but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decades high.
- 29 Shortages of labour have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- 30 Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the Fed's meeting of 15th December would take aggressive action against inflation. Accordingly, the rate of tapering of monthly \$120bn QE purchases announced at its November 3rd meeting. was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of QE held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed - "maximum employment". The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous

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forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being “transitory” and instead referred to “elevated levels” of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent “for some time”. It did not see Omicron as being a major impediment to the need to take action now to curtail the level of inflationary pressures that have built up, although Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.

- 31 **EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.
- 32 November’s inflation figures breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to persistently higher services inflation - which would get the European Central Bank (ECB) concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB’s target of 2% and it is likely to average 3% in 2022, in line with the ECB’s latest projection.
- 33 **ECB tapering.** The ECB has joined with the Fed by also announcing at its meeting on 16th December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB’s target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing QE support.
- 34 The ECB will now also need to consider the impact of Omicron on the economy, and it stated at its December meeting that it is prepared to provide further QE support if the pandemic causes bond yield spreads of

peripheral countries, (compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.

- 35 The EU has entered into a period of political uncertainty where a new German government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the EU. These political uncertainties could have repercussions on economies and on Brexit issues.
- 36 **CHINA.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of 2020; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.
- 37 However, the pace of economic growth has now fallen back in 2021 after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The People's Bank of China made a start in December 2021 on cutting its key interest rate marginally so as to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.
- 38 Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into

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officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

- 39 **JAPAN.** 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- 40 The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida, having won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.
- 41 **WORLD GROWTH.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- 42 **SUPPLY SHORTAGES.** The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

APPENDIX C: CURRENT PORTFOLIO POSITION

List of Investments as at:- 1-Dec-21

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms
	Barclays Bank plc (Business Premium A/C)	A+	U.K.		10,189,000	01-Oct-11			0.01000%	Variable
	Svenska Handelsbanken AB (Deposit A/C)	AA	Sweden		0	23-Jul-14			0.00000%	Variable
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA	Sweden		0	01-Sep-16			0.05000%	Variable
	Aberdeen Standard Liquidity Fund (Money Market Fund)	AAA	U.K.		5,000,000	11-May-12				Variable
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		500,000	11-May-12				Variable
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		1,000,000	13-Oct-16				Variable
	CCLA Public Sector Deposit Fund (Money Market Fund)	AAA	U.K.		5,000,000	08-Oct-18				Variable
IP1431	Close Brothers Ltd	A-	U.K.		2,000,000	07-Sep-21	0.27000%	21-Mar-22		6 Months
IP1433	Close Brothers Ltd	A-	U.K.		3,000,000	29-Oct-21	0.50000%	29-Apr-22		6 Months
IP1429	Newcastle Building Society		U.K.		3,000,000	22-Jul-21	0.11000%	24-Jan-22		6 Months
IP1434	Principality Building Society	BBB+	UK		4,000,000	02-Nov-21	0.15000%	21-Feb-22		3 Months
IP1430	Thurrock Borough Council		U.K.		2,000,000	09-Aug-21	0.07000%	10-Jan-22		5 Months
IP1432	Thurrock Borough Council		U.K.		3,000,000	09-Sep-21	0.08000%	22-Mar-22		6 Months
Total Invested					38,689,000					

Other Loans

Sevenoaks Leisure Limited					537,760	02-Mar-18	6.00000%	02-Mar-28		10 Years
Quercus 7										
			Year of issue				avg interest			
			19/20		3,616,374		4.85%			
			20/21		3,970,381		4.81%			
			21/22		5,965,691		4.61%			

Global summary of all investments

	19/20 £	Average percentage	20/21 £	Average percentage	Forecast 21/22 £	Average percentage
Income Budget	200,000		300,000		188,000	
Investment Income	254,295	0.890%	79,277	0.349%	22,000	0.110%
Interest from Loans	138,895	3.34%	224,068	4.93%	307,807	4.76%
Interest saved on not borrowing externally	96,658	2.36%	290,258	2.39%	290,258	2.39%
Total	489,848		593,603		620,065	
Average % return		1.48%		1.51%		1.61%

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APPENDIX D - Treasury Management Practice (TMP1) - Credit and counterparty risk management

- 1 The Department for Levelling Up, Housing & Communities (DLUHC) issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

- 2 The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Deputy Chief executive and Chief Officer - Finance & Trading has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

- 3 **Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:
 - The strategy guidelines for choosing and placing investments, particularly non-specified investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

- 4 The investment policy proposed for the Council is:

Strategy guidelines - The main strategy guidelines are contained in the body of the treasury management strategy statement.

Specified investments - These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months

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if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- a) The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
- b) Supranational bonds of less than one year's duration.
- c) A local authority, parish council or community council.
- d) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.
- e) A body that is considered of a high credit quality (such as a bank or building society). This covers bodies with a minimum Short Term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are contained in the body of the treasury management strategy statement.

Non-specified investments -are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

Non Specified Investment Category	Limit (£)
The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£7m
Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £3bn.	£3m
Any bank or building society that has a minimum long term credit rating of A-, for deposits with a maturity of greater	£7m

Non Specified Investment Category	Limit (£)
than one year (including forward deals in excess of one year from inception to repayment).	
Any non-rated subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.	£7m
Share capital in a body corporate - The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.	£50k
Bond Funds. A pooled investment vehicle with a mix of corporate and government grade bonds. See note 1 below.	£5m
Other Funds - including Property, Equity and Multi-Asset Funds. These are pooled investment vehicles specialising in property, equities or a mixture of assets. The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. See note 1 below. This Authority will seek guidance on the status of any fund it may consider using.	£5m

NOTE 1. This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

Within categories a and b, and in accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. These criteria are contained in the body of the treasury management strategy statement.

- 5 **The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Deputy Chief Executive and Chief Officer - Finance & Trading, and if required, new counterparties which meet the criteria will be added to the list.

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APPENDIX E - Approved countries for investments as at December 2021

This list is based on those countries which have sovereign ratings of AA- or higher and also (except for Luxembourg, Norway & Hong Kong) have banks operating in the sterling markets which have colour codes of green or above in the Link Asset Services credit worthiness service.

Based on lowest available rating from Fitch, Moody's and S&P

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- United Kingdom

APPENDIX F - Treasury management scheme of delegation

Full Council

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

Cabinet

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

Finance & Investment Advisory Committee

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

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

The S151 (responsible) officer is responsible for:

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

The above list of specific responsibilities of the S151 officer in the 2017 Treasury Management Code has not changed. However, implicit in the changes in both codes, is a major extension of the functions of this role, especially in respect of non-financial investments (which CIPFA has defined as being part of treasury management). Examples are as follows:-

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures taken on by an authority;

- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above; and
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken; and
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

APPENDIX H - 2021 revised Treasury Management Code and Prudential Code

The following is Link Group's high level appraisal of the new codes:-

CIPFA published the revised codes on 20 December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. The Council will need to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The revised codes will have the following implications:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- address Environmental, Social & Governance (ESG) issues within the Capital Strategy;
- require implementation of a policy to review commercial property, with a view to divest where appropriate;
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);
- ensure that any long term treasury investment is supported by a business model;
- a requirement to effectively manage liquidity and longer term cash flow requirements;
- amendment to TMP1 (as in Appendix D above) to address ESG policy within the treasury management risk framework;
- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council; and
- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity - i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

As our Treasury Management Strategy Statement and Annual Investment Strategy deals solely with treasury management investments, the categories of service delivery and commercial investments will be dealt with as part of the Capital Strategy report. However, as investments in commercial property have implications for cash balances managed by the treasury team, it will be for each authority to determine whether they feel it is relevant to add a high level summary of the impact that commercial investments have, or may have, if it is planned to liquidate such investments within the three year time horizon of this report, (or a longer time horizon if that is felt appropriate).

Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

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Item 14 - Treasury Management Strategy 2022/23

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2022. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January 2022, Minute 41)

The Principal Accountant (Capital and Treasury) presented the report which outlined the Council's Treasury Management Strategy which sets out the Council's Policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Annual Investment Strategy remained largely the same as for 2021/22 with Bond, Property, Equity and Multi-Asset Funds as alternative Investment options being retained. Changes to the Treasury Management and Prudential Codes would take effect from 2023/24.

In response to questions the Principal Accountant confirmed that monthly update reports were provided to Members. The need for these would be evaluated in light of additional staff workloads likely to be brought about by revised reporting requirements in the new Codes.

It was noted that information and training courses for Members would also be explored.

Resolved: That it be recommended to Cabinet that it be recommended to Council that the Council approve the Treasury Management Strategy 2022/23.

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Item 15 - Property Investment Strategy Update

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2022. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January 2022, Minute 42)

The Chief Officer (Finance and Trading) presented the report which provided Members with an update on the progress of the Property Investment Strategy to date.

The investments previously made through the Property Investment Strategy continued to provide a good revenue income stream to the Council and assist it in remaining financially self-sufficient. The budgeted net income for the 2021/2022 year was £1.372m and a higher amount of £1.386m was forecast to be achieved. It was noted that by externally borrowing to part-fund White Oak Leisure Centre and other schemes, the Council was prevented from making direct investments primarily for yield. Thus, no further changes were proposed. The situation would continue to be monitored with the aim to make further investments via the Council or Quercus 7 in future.

Members discussed the report and thanked the Chief Officer.

Resolved: that the report be noted.

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PROPERTY INVESTMENT STRATEGY UPDATE REPORT

Cabinet - 10 February 2022

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

Status: For Decision

Also considered by:

- Financed & Investment Advisory Committee - 11 January 2022
- Council - 22 February 2022

Key Decision: No

Executive Summary:

This report provides an update on the progress of the Property Investment Strategy to date and looks at the future direction of the strategy.

The Property Investment Strategy was approved by Council on 22 July 2014 to support the aim of the council becoming more financially self-sufficient as Government Support continued to reduce.

The acquisitions to date have helped the council achieve this aim. This report provides an update on those acquisitions.

Due to Government changes in the way councils can access Public Works Loan Board (PWLB) borrowing and the upcoming changes to CIPFA's Prudential Code, the Property Investment Strategy is no longer included in the capital programme therefore the Council cannot currently borrow to make any more property investments purely for yield.

In a changing property market and regardless of any limitations on financing, it remains important to review the criteria of the strategy on a regular basis.

Portfolio Holder: Cllr. Matthew Dickins

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

Alan Mitchell, Ext. 7483

Detlev Munster, Ext. 7099

Recommendation to Finance and Investment Advisory Committee):

- (a) That the report be noted.
- (b) Forward comments to Cabinet including any recommended changes to the Property Investment Strategy criteria.

Recommendation to Cabinet:

- (a) Cabinet considers any comments from Finance and Investment Advisory Committee and notes the report.
- (b) Any changes to the Property Investment Strategy criteria be recommended to Council.

Recommendation to Council:

Council agrees the Property Investment Strategy criteria recommended by Cabinet.

Introduction and Background

- 1 In recent years Sevenoaks District Council was facing ongoing reductions in Government support, culminating in it no longer receiving Revenue Support Grant from 2017/18. This has led to a number of decisions that have been taken through the 10-year budget process to try and ensure that the council remains in a financially sustainable position.
- 2 On 7 November 2013, Cabinet approved the then Corporate Plan which set out key areas for the organisation, including the need to become financially self-sufficient. The agreed plan articulated an approach of investing in assets that would generate revenue income to allow less reliance on diminishing Government support. It went on to state that this could be done either through reviewing the use of reserves or through borrowing at low interest rates.
- 3 On 22 July 2014, Council agreed the Property Investment Strategy. The Strategy's criteria were last updated at Council on 23 February 2021 and the current criteria are included at **Appendix A**.

Funding Agreed to Date

- 4 A total of £50.3m of funding for the Property Investment Strategy (including the Sennocke Hotel) has been agreed to date as follows:
- a. £5m Council 22 July 2014
 - b. £3m Council 17 February 2015
 - c. £10m Council 21 July 2015
 - d. £7.3m (total spend) Sennocke (Premier Inn) Hotel, Council 3 November 2015
 - e. £25m Council 25 April 2017
- 5 To date £35.451m has been spent. However, as the Property Investment Strategy has now been removed from the Capital Programme, the Council is unable to make any further property investments purely for yield, therefore the unspent element of the £50.3m is no longer available for the Council to spend on the Property Investment Strategy.

Activity to Date

- 6 A summary of the income producing expenditure to date is included in the following table:

Date	Activity	Total Cost £000	2021/22 Income Yield %
Apr 2015	Suffolk House, Sevenoaks (including refurb.) (office)	4,892	7.3%
May 2015	Swanley Petrol Station and Supermarket	2,566	7.5%
Mar 2017	26-28 Pembroke Road, Sevenoaks (office)	4,673	3.9%
Aug 2018	Premier Inn Hotel, Sevenoaks	7,332	6.4%
	Total	19,463	

- 7 **Suffolk House, Sevenoaks (April 2015)** - This office building is in a town centre in which there are diminishing levels of office stock. It consists of a total of 16,699 sq. ft of office space over four floors with 84 parking spaces.

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It is managed by a property management company with costs recoverable under a service charge. All floors have been refurbished to a high standard and the rent per square foot is now significantly higher than when the building was purchased. All space is currently let. External repair and maintenance work, notably to the roof, brickwork and lead works, has recently been undertaken in accordance with the building's planned maintenance programme.

- 8 **Swanley Petrol Station and Supermarket (May 2015)** - The property comprises a 2,789 sq. ft convenience store building with 15 car parking spaces, 8 multi-fuel pump forecourt with jet wash and car wash on a 0.589 acre site. The property is let on a lease expiring in August 2030.
- 9 **26-28 Pembroke Road, Sevenoaks (March 2017)** - This is a modern freehold office investment in Sevenoaks town centre. The 10,499 sq. ft building over three floors has 56 car parking spaces and is currently partially let to the previous tenant that had originally sought to fully surrender their lease. The vacant floors are currently being marketed.
- 10 **Premier Inn Hotel, Sevenoaks (August 2018)** - The 83 bed Premier Inn was completed in July 2018 and opened for trading on 4 August 2018. The hotel scheme and the funding method were separately approved by Council, but it is recognised as a Property Investment Strategy asset with the income being included in the figures in paragraph 23.
- 11 The following amounts within the strategy have funded Quercus 7 investments.

Date	Activity	Total Cost £000	2021/22 Income Yield %
2016/17	Quercus 7 set up costs	13	
2018/19 onwards	Quercus 7 investments (debt 60%)	5,987	4.5%
2018/19 onwards	Quercus 7 investments (equity 40%)	3,991	
	Total	9,991	

- 12 Quercus 7 was set up to enable the Council to invest in property on a commercial basis across a range of asset categories, ensuring a sustainable income for the Council. The company is able to invest in commercial properties outside of the district and hold residential property, which the Council is not allowed to do.

- 13 The Council, which is also the Shareholder of the Company, wishes Quercus 7 to prioritise return on investment, whilst also recognising that as a public body there are sometimes wider considerations and sensitivities that the Council must consider.
- 14 The investments adhere to the principles set out in the Property Investment Strategy.
- 15 The Council as a whole holds the only share in the Company and has delegated its responsibility for overseeing the trading activities of the Company to a Trading Board, and the Leader of the Council has been nominated as the shareholder representative.
- 16 In addition, strategic expenditure has been undertaken to secure longer term returns. These items are listed in the table below:

Date	Activity	Total Cost £000
Feb 2015	Swanley Working Men's Club (including demolition)	1,393
Feb 2017	96 High Street, Sevenoaks (retail, office) and associated site	4,554
May 2017	Croft Road, Westerham (housing option)	50
	Total	5,997

- 17 **Swanley Working Men's Club (February 2015)** - The premises were demolished in July 2016. The Council is preparing proposals for a residential-led development on this site together with the adjacent car park. Discussions are on-going with West Kent Housing Association for the inclusion of their neighbouring land into a wider scheme. The Council is looking to adopt a build to let model. Stage 2 design work is currently being completed which will then allow the financial parameters to be set. The project is progressing to programme and construction could commence in winter 2022, subject to planning consent.
- 18 **96 High Street, Sevenoaks (February 2017)** - This premise consists of ground floor retail space, 1st and 2nd floor office space. The land at the rear is next to a District Council car park which in turn is next to the bus station

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and therefore has the potential to support the Council's regeneration ambitions. Discussions have taken place and are ongoing with KCC to include land in their ownership to bring forward a larger scheme. Consultants are being appointed to prepare a masterplan and feasibility study that will be used to establish terms with a private sector development partner, which will be procured in 2022. The ground floor retail space is in occupation, with Hospice in the Weald having been granted a short-term lease following the insolvency of our long-term tenants during the Covid-19 pandemic. The second floor is still in occupation by Second Floor Studios CIC and their lease is being made co-terminus with that on the ground floor.

- 19 **Croft Road, Westerham** - This land formally in the Council's ownership was sold to a developer to build 18 residential units which are being built in two phases. The Council took up an option to acquire two houses at a discount (based on an agreed price formula), one house in each phase. The option to acquire the house in the first phase was exercised on behalf of Quercus 7, and it has since been let on an Assured Shorthold Tenancy providing regular monthly income. The option to acquire the house in the second phase was exercised by the Council, which is currently in the process of selling it.
- 20 All of the Council's acquisitions have been supported by a thorough business case and approved by the Improvement & Innovation Portfolio Holder in consultation with the Finance & Investment Portfolio Holder as required by Council.

Property Investment Strategy Income

- 21 The 10-year budget approved by Council in February 2021 included net Property Investment Strategy income of £1.372m in 2021/22 and £1.508m in 2022/23.
- 22 Net income of £1.386m is forecast in 2021/22 - £14,000 above the budget.
- 23 The Property Investment Strategy net income budgets included in the 10-year budget approved by Council in February are included in the table below:

Year	Net Income Budget
2021/22	£1.372m
2022/23	£1.508m
2023/24 - 2025/26	£1.558m
2026/27 - 2028/29	£1.655m
2029/30 - 2030/31	£1.696m

- 24 The budgets will continue to be reviewed.
- 25 All of the net income budgets proposed are after transferring £100,000 per annum into the Property Investment Strategy Maintenance Reserve.

Funding Sources

- 26 The £35.5m spent to date has been funded by:
- a. Property Reserve and Financial Plan Reserve £11.8m. Funds put aside for the Property Investment Strategy agreed as part of the annual budget setting process, including New Homes Bonus.
 - b. Capital receipts £9.4m. Proceeds from the sale of Council assets.
 - c. Internal borrowing £4.4m. From council balances. No interest is paid but Minimum Revenue Provision (MRP) is charged. MRP is the minimum amount which must be charged to the revenue account each year and set aside as provision for repaying loans and meeting other credit liabilities. This is a requirement for any form of borrowing so that an amount is set aside to repay the loan. An MRP charge of £150,000 is forecast in 2020/21.
 - d. Internal borrowing £9.9m. From council balances for Quercus 7 investments.
 - e. External borrowing £nil. This funding method would incur interest and MRP costs each year.
- 27 Funding options are considered on a case-by-case basis and may be funded by reserves, capital receipts, internal borrowing or external borrowing, subject to the constraints referred to in the Executive Summary and below.
- 28 During 2019, at the request of Full Council, a Member Working Group investigated Income Strip Funding as an additional funding source and recommended that this should be considered for funding suitable future schemes.
- 29 Each scheme is assessed to consider whether it is preferable to proceed as the Council or via Quercus 7.

Public Works Loan Board (PWLB) - Access to Borrowing

- 30 In November 2020, HM Treasury published the document 'Public Works Loan Board: Future Lending Terms'.
- 31 This document included changes to the PWLB lending terms designed to discourage councils from investing primarily for yield by restricting access to the PWLB. Under the new rules, councils are still free to borrow for service delivery, housing, regeneration, preventative action and delivery of government priorities.
- 32 The main points are:

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- a. As a condition of accessing the PWLB, local authorities are now asked to submit a high-level description of their capital spending and financing plans for the following three years.
 - b. Councils intending to invest for yield are not permitted to access the PWLB.
 - c. When applying for a new loan, councils are required to confirm that the plans they have submitted remain current and reaffirm that they do not intend to buy investment assets primarily for yield.
 - d. The decision over whether a project complies with the terms of the PWLB is for the section 151 officer or equivalent of the council (Chief Officer - Finance and Trading).
- 33 The White Oak Leisure Centre scheme is being partly funded by PWLB borrowing and the above conditions were agreed by Council on 16 November 2021. This therefore means that the Council is currently unable to invest in property purely for yield such as through the Property Investment Strategy.
- 34 There have been a number of announcements and guidance notes from the Government and CIPFA (Chartered Institute of Public Finance and Accountancy) considering how some councils have borrowed from the PWLB to fund property investments and proposed changes to the Prudential Code.
- 35 Officers will continue to liaise with the Government and other bodies to ensure that there is a clear understanding of options and implications available for future use of the Property Investment Strategy by both the Council and Quercus 7.

Future Opportunities

- 36 As mentioned above, the PWLB and Prudential Code changes will impact the opportunities to make further property investments within the strategy.
- 37 It is therefore recommended that the focus of officers time on the delivery of the Property Investment Strategy should be on development of the strategic assets listed in paragraph 16, realising their revenue potential.

Risks

- 38 The risks of the Property Investment Strategy are included in **Appendix B**. The risks were first assessed by the Audit Committee on 9 September 2014 and have been reviewed each year.
- 39 The Council's Strategic Risk Register was last considered by the Audit Committee on 23 September 2021 and the relevant extract is also included in **Appendix B**.
- 40 In terms of short-term variations in capital value, property investment is inherently more risky than leaving reserves in the bank but this was taken

into account when establishing the Property Investment Strategy and setting the investment criteria. Treasury investment returns have long been below inflation levels resulting in the gradual erosion of those funds. A separate report on the Treasury Management Strategy 2021/22 is also being presented at this meeting.

- 41 The risks of each potential investment are considered by carrying out due diligence, including the following:
 - a. Valuation.
 - b. Market conditions.
 - c. Covenant strength of tenants.
 - d. Terms of leases.
 - e. Structural surveys.
 - f. Funding options.
 - g. Future costs.
- 42 It should be recognised that there may be times when there are business reasons to dispose of assets held as part of the Property Investment Strategy and invest elsewhere instead.
- 43 The Scrutiny Committee set up a Property Investment Strategy Member Working Group at their meeting on 5 July 2016 and reported their findings on 30 March 2017.
- 44 The Member Working Group concluded that the benefits of the Property Investment Strategy do outweigh the risks, provided that the council remains alive to of changes in the market and financial risks.
- 45 Internal Audit completed an audit report on the Property Investment Strategy in 2017/18. The audit opinion given in the report was of full assurance.
- 46 The audit report conclusion was: “Audit fieldwork confirmed effective governance and financial arrangements are in place for the delivery of the Property Investment Strategy. The attainment of set objectives is being achieved. Existing arrangements are fit for purpose for the delivery of the Strategy and comply with Council procedures.”
- 47 The assurances required over the Property Investment Strategy are considered each year as part of the risk-based annual audit planning process.
- 48 The changes to the PWLB lending terms also produce additional risks that did not previously exist.

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Property Investment Strategy Criteria

- 49 The annual update report gives Members the opportunity to review the Property Investment Strategy criteria previously agreed. The current criteria are included in **Appendix A**.
- 50 The Property Investment Strategy criteria also applies to Quercus 7.

Key Implications

Financial

As previously stated in this report, the Property Investment Strategy is a major contributor to the Council remaining financially self-sufficient.

All other financial information can be found in the report.

Legal Implications and Risk Assessment Statement.

Legal resources would be required to undertake legal pre-purchase due diligence for any future acquisitions. Likewise, with disposals. This would be undertaken either internally by the Council's Legal Team or externally and a decision would be made on a case-by-case basis.

Proceeding with further pure property investments would add additional risks in light of the changes made and expected by Government and CIPFA.

A full risk analysis is included at **Appendix B** to this report.

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.

Value for Money and Asset Maintenance

Value for money derived from available finances when looked at in conjunction with the Treasury Management Strategy has the ability to be increased via the Property Investment Strategy.

Conclusions

The investments previously made through the Property Investment Strategy continue to provide a good revenue income stream to the Council and assist it in remaining financially sustainable.

The Council is not currently able to make further investments purely for yield, but the situation will continue to be monitored with the aim to make further investments via the Council or Quercus 7 in future.

Appendices

Appendix A - Property Investment Strategy

Appendix B - Property Investment Strategy - Risk Analysis

Background Papers

Report to Council 22 July 2014 - Investment Strategy

Report to Audit Committee 9 September 2014 - Investment Strategy Risk Register

Report to Council 17 February 2015 - Budget and Council Tax Setting 2015/16

Report to Council - 21 July 2015 - Property Investment Strategy

Report to Council - 25 April 2017 - Property Investment Strategy Update

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

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Property Investment Strategy (agreed by Council 23/02/21)

1. The strategy will consist of a diversified and balanced portfolio of investment assets with regard to the following considerations.
2. As the portfolio has grown and property markets have changed, all asset categories are now included subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding.
3. When considering the tenure of an asset, freehold would be preferable to leasehold. Freehold provides for greater levels of security against a leasehold asset that would effectively decrease in value over time. However, assets on long leasehold basis may still be suitable for consideration.
4. Whilst properties let to only one tenant may offer an acceptable level of risk, multi-tenanted properties would be favourable as they offer the opportunity to minimise the impact of any one part of the asset being vacant due to tenant default or lease expiry. If assets are occupied by a single tenant, then detailed financial due diligence would be undertaken to ascertain their financial stability.
5. Investment opportunities are restricted to all of England, however recognising that this may need to be changed in future if legislation is amended.
6. Based on the above considerations and taking into account local market conditions, a lot size of between £1m and £10m has been set. This is to avoid the lower part of the local market where private high net worth individuals would be seeking to invest and also the high end, where Pension Funds and Life Assurance Funds tend to dominate.
7. Given the likely risk profile of an asset meeting the above considerations, the following has been set. The income yield be 3%+ above the Council's average treasury management return (currently 0.6%) when not borrowing or internally borrowing, and 3%+ above the borrowing rate (currently 1.6% for 30 years) when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment).
8. A limited number of opportunities that include the potential for development should also be considered. This approach may have the potential to deliver an additional 20-30% return on investment.
9. Where sites that are already in the ownership of the Council could be redeveloped in partnership with neighbouring sites, added value can be derived from 'marriage' of the sites. Consideration should be given to Joint Venture (JV) projects that maximise value, with priority given to those which would result in the delivery of assets meeting the investment criteria.

10. It is expected that external specialist property investment advisors will be retained on each transaction, advising on suitability having undertaken detailed pre purchase due diligence, including valuation, risk analysis and lease / title reviews.
11. Taking all of the above considerations into account, the current criteria are:
 - i. Income yield of 3%+ above the Council's average treasury management return (currently 0.6%) when not borrowing or internally borrowing, and 3%+ above the borrowing rate (currently 1.6% for 30 years) when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment
 - ii. Individual Properties or Portfolios
 - iii. Lot size of £1m - £10m subject to multiple tenants for lots over £5m
 - iv. Freehold / Long Leasehold
 - v. Single or Multi Tenanted
 - vi. Asset categories: all subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding.
 - vii. Investment opportunities be restricted to all of England.
 - viii. Potential to increase rental income, through pro-active Asset Management
12. The Strategic Asset Management and Operational Property Management of the portfolio be delivered from existing resource within the Council's Economic Development and Property Team. There will however be times when specialist external advice is needed and this work will be commissioned on an 'as required' basis, funded from the income from the assets. This approach is to be reviewed regularly, including ongoing resource requirements, as the portfolio grows.
13. Funding for the acquisition of assets should be reviewed on a case by case basis but could be derived from a number of sources:
 - Receipts from previous property disposals.
 - Receipts from proposed land / property disposals in future years.
 - Internal borrowing.
 - Borrowing from the Public Works Loan Board.

- Borrowing from the Municipal Bonds Agency.
 - Income strip funding.
14. Each scheme will also be analysed to decide whether it is preferable to proceed as the council or via Quercus 7.

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Property Investment Strategy - Risk Analysis

The Property Investment Strategy risks are detailed below. The impact and likelihood of each risk are first assessed gross (without existing controls in place) and then re-assessed following the identification of key controls (net). The net ratings are shown in the following table:

Net Risk Ratings						
Likelihood	Very Likely (5)					
	Likely (4)					
	Possible (3)			15		6
	Unlikely (2)			4,9	1	11
	Very Unlikely (1)	13	3		2a	2b,5,7,8,10,12,14
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
		Impact				

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
Property Investment Strategy - Failure to identify opportunities to meet the Property Investment Strategy Lead Officer: Adrian Rowbotham & Detlev Munster											
1) Downturn in property market	<ul style="list-style-type: none"> Poor Return on Investment (ROI) on selling/rental 	3	5	15	<ul style="list-style-type: none"> Contracts to have rent review, break clauses etc. Investments are credit secure and can be retained through any market downturn. No requirement by SDC to liquidate investments in medium term. No requirement from SDC to minimise or contain reported mark to market variability 	2	4	8	2	4	

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
2) a. Poor quality construction/management	<ul style="list-style-type: none"> • Repairs • Defects • remedial work, • customer dissatisfaction • loss of reputation • legal action • additional costs not built into financial plan 	1	5	5	<ul style="list-style-type: none"> • Robust contracting process. • Pre-purchase surveys • High quality spec • Quality assurance clauses • Warranties • Procurement processes • Clauses for liquidated damages • Build relationships with contractors - understand their quality ethos • Do not work with contractors who have a record issues or no track record 	1	4	4	1	4	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Ensure contractor has sufficient covenant to stand behind their commitments Property Investment Strategy Maintenance Reserve 						
b. Poor quality construction/management	<ul style="list-style-type: none"> Risks to personal health and safety - defects, gas, electricity, legionella, etc. 	2	5	10	<ul style="list-style-type: none"> Surveys; risk assessment techniques; CDM (Construction, Design & Mgt Regs); using registered suppliers and installers 	1	5	5	1	5	5
3) Possibility of challenge re: unlawful subsidy	<ul style="list-style-type: none"> Legal challenge to Quercus 7. 	2	2	4	<ul style="list-style-type: none"> Full cost recovery. 	1	2	2	1	2	2

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Loans obtained at commercial lending rates Charging Directors and others' time to the Company. Legal due diligence pre contractual commitment 						
4) Inability to attract and retain suitable purchasers/tenants	<ul style="list-style-type: none"> Poor ROI void periods loss of rental income 	3	4	12	<ul style="list-style-type: none"> Demand for residential property remains high. Taking up references Early engagement with potential buyers/tenants Quality product to attract purchasers/tenants Standby working capital facility to 	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					support downturn in market for tenants i.e. finance voids or rent shortfalls						
5) Failure to fully assess sites and conditions	<ul style="list-style-type: none"> Defects remedial action costs failure to attract purchasers/tenants void periods poor ROI 	2	5	10	<ul style="list-style-type: none"> Robust appraisals and surveys to be undertaken before progressing. Pre-application planning advice. Knowledge of location/market Extensive due diligence process. 	1	5	5	1	5	5
6) Insufficient financial resources to progress projects	<ul style="list-style-type: none"> Cannot close deals because of inability to achieve purchase price Lack of progress in the market 	4	5	20	<ul style="list-style-type: none"> Borrowing permissions in place (note PWLB restrictions). Investment strategy in place. Sound business case/plan. 	3	5	15	3	5	15

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> • Due diligence exercises, • Develop alternatives to SDC funding for Quercus 7 						
7) Insufficient resources, capacity, skills to plan and manage projects	<ul style="list-style-type: none"> • Inability to close deals as insufficient due diligence • Loss of reputation 	3	5	15	<ul style="list-style-type: none"> • Procurement of specialist resources not available in-house. • Appointment of staff with adequate skills for purpose. 	1	5	5	1	5	5
8) Inability to secure development opportunities to cover overheads and develop profits	<ul style="list-style-type: none"> • Quercus 7 loss making company • Business plan not executed • Shareholder dissatisfaction 	4	5	10	<ul style="list-style-type: none"> • Continue to develop pipeline of opportunities. Links with agents. • Proactive approach to identify opportunities. 	1	5	5	1	5	Agenda Item 15

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
	<ul style="list-style-type: none"> Dissolution of company 				<ul style="list-style-type: none"> Procurement of sufficient resources. Divert development resources to management responsibilities during prolonged downturn? 						
9) Increase in voids/and void turn-around time/re-let times	<ul style="list-style-type: none"> Income from rent is reduced and cash flow compromised 	3	3	9	<ul style="list-style-type: none"> Employment of experienced agents to manage lettings. Sale of property an option. Reconsideration of operating model Standby working capital facility to support downturn in market for 	2	3	6	2	3	6

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					tenants i.e. finance voids or rent shortfalls • Option of selling assets to provide working capital bridge						
10) Purchase not supported by red book valuation	<ul style="list-style-type: none"> Unable to secure purchase 	4	5	20	<ul style="list-style-type: none"> Red book valuation obtained prior to offer. 	1	5	5	1	5	5
11) Financial risks	<ul style="list-style-type: none"> Rents not achieved Values reduce Property market falls Operational costs higher than budget Defects arising that affect let ability / income 	3	5	15	<ul style="list-style-type: none"> Due Diligence measures Pre purchase surveys 	2	5	10	2	5	10

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
12) Failure to comply with taxation issues, Corporation tax and VAT	<ul style="list-style-type: none"> Legal challenges 	2	5	10	<ul style="list-style-type: none"> Internal and/or external advice sought in relation to taxation to ensure compliance. 	1	5	5	1	5	5
13) Implications of Residential Property Developers Tax (RDPT)	<ul style="list-style-type: none"> Requirement to pay RDPT on a scheme where either Q7 or a JV partner profit brings this into scope. 	1	1	1	<ul style="list-style-type: none"> Carry out financial modelling based on proposed scheme and the relation to profits of Q7 and/or any JV partner 	1	1	1	1	1	1
14) Poor management of property	<ul style="list-style-type: none"> Risk to tenants Health and Safety Defects, gas, electricity etc. 	2	5	10	<ul style="list-style-type: none"> Engage experienced and qualified management agents 	1	5	5	1	5	5
15) Impact of COVID-19 - Increase in voids/market changes/bad debts	Income from rent is reduced and cash flow compromised.	4	3	12	<ul style="list-style-type: none"> Employment of experienced agents to manage lettings. 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Sale of property an option. Reconsideration of operating model 						

Strategic Risk Register Item - September 2021

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
SR02: Property Investment Strategy - Failure to identify opportunities to meet the Property Investment Strategy Lead Officer: Adrian Rowbotham & Detlev Munster											
<ul style="list-style-type: none"> Reduced ability to borrow funds including the effect of government legislation changes Lack of ability to seek appropriate investment opportunities Inappropriate appetite for risk within investment strategy to enable the Council to generate target returns Lack of ability to deliver sufficient funds to maximise 	<ul style="list-style-type: none"> Inability to invest due to funding restrictions Lack of diversity in investments Inability to find investments that meet the return criteria Inability to deliver a balanced budget (SR01) 	4	4	16	<ul style="list-style-type: none"> Council approved Property Investment Strategy, with defined rates of return demonstrating risk appetite Diversified portfolio to spread risk Governance arrangements defined with appropriate delegations agreed 	4	3	12	3	3	9

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<p>the opportunities presented through the Property Investment Strategy</p> <ul style="list-style-type: none"> Prohibitive cost of interest payments Lack of capacity or skilled professionals to advise on investment and borrowing strategies Ineffective governance processes that could result in opportunities being missed or being ineffectively scrutinised Ineffective use of Quercus 7 to support the Council’s investment strategy Covid-19 / Economic conditions - inability to find or retain tenants, collect lease or rental income, reduction in asset values (systemic risk) 	<ul style="list-style-type: none"> Negative impact on budgets, reserves and the ability to deliver Council projects Poor financial health Reputational damage Poor outcome for the Audit of Accounts or Value for Money assessment and potential for increased intervention 				<ul style="list-style-type: none"> Qualified and experienced officers in post Professional, external advisers engaged to support the development of strategies and fill skills gaps Realistic income budget set based on current and projected investments Financial monitoring processes embedded Effective financial governance including reports to FIAC, Cabinet and Scrutiny Committee Regular Quercus 7 Board and Trading Board meetings 						
<p>Actions</p> <p>Identify alternative external funding sources and keep up to date with government legislation</p>											
<p>Available Assurance</p> <p>Internal Audit of Property Investment Strategy in progress</p> <p>Ad hoc external consultants provide reports on state of the property markets</p> <p>Annual property investment valuation carried out by independent consultant, in line with CIPFA and RICS standards</p>											

Item 16 - Bevan Place, Swanley Development Proposal

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2022 and the Housing & Health Advisory Committee on the 17 January 2022. The relevant Minute extracts are below.

Finance & Investment Advisory Committee (11 January 2022, Minute 46)

The Strategic Head of Commercial and Property presented the report which outlined the Council's plans to redevelop the former Swanley Working Men's Club site and adjacent car park at Bevan Place.

It was noted that paragraph 4 of the report should be altered to read as: "The proposed scheme included up to 93 homes."

The scheme would also incorporate retail uses along the High Street, a communal garden and landscaped surface car-parking for residents. The scheme would include the highest environmental and sustainability standards possible to ensure the scheme was not only an exemplar benchmark scheme for Swanley, but would also enhance residents well-being.

Officers were seeking approval to progress the scheme, applying for planning permission and procuring a lead design contractor to deliver the scheme subject to obtaining all the necessary statutory consents. Practical completion was expected by 2024.

It was moved by the Chairman and it was

Resolved: That under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices C and D. These documents are exempt from publication on the grounds that likely disclosure of exempt information is involved as defined by schedule 12A paragraph 3 of the Local Government Act 1972: (Information relating to the financial or business affairs of any particular person (including the authority holding that information.))

Members considered and discussed the exempt information as set out in the exempt appendices. Members expressed concern over the financial projections of the proposal as a longer-term ambition. Members expressed that the Committee would benefit from a level of certainty for the projections laid out in the report.

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Members discussed an additional recommendation requesting Cabinet satisfy themselves with the assumptions and mitigations and the case for locking in to interest rates as early as possible and report to Council with the findings.

Public Sector Equality Duty

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

Resolved that:

- a) The advisory committee endorse the redevelopment of the site to deliver a new residential-led development.
- b) The proposed recommendations to Cabinet below be endorsed:
 - (i) Cabinet endorses the development of a new residential-led scheme on this site which will deliver up to 93 new homes, retail uses, communal and public garden, resident car parking and highway improvements to Bevan Place;
 - (ii) Cabinet notes the viability challenges this site and scheme presents and approves the delivery of this scheme using an income-based financing model (rent model) that will result in the Council retaining housing and retail stock to generate income to repay the cost of the development;
 - (iii) Cabinet recommends to Council the provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme to deliver the scheme within the parameters set in Section 57 of this report and notes that this is in addition to the previously approved amount of £730,000 in the 2021/22 Capital Programme for this project;
 - (iv) Cabinet approves the acquisition/inclusion of the adjacent West Kent Housing Association land and buildings, known as 1-12 Bevan Place, Swanley, and to enter into a development agreement with West Kent Housing Association that will result in 14 residential units being transferred to West Kent Housing Association on a leasehold basis, the terms of which are outlined in the draft Heads of Terms in Appendix C and delegates authority to the Strategic Head of Property and Commercial Services and the Chief Officer Finance and Trading following consultation with the Cabinet Member for Finance & Investment to agree and finalise necessary agreements with West Kent Housing Association;

- (v) Cabinet recommends to Council to authorise officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders;
- (vi) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investment to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability and in accordance with financial parameters set in Section 57; and
- (vii) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential units to be developed.
- (viii) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial following consultation with the Chief Officer Finance and Trading and the Cabinet Member for Finance & Investment to prepare appropriate contractual arrangements to set up an appropriate delivery vehicle for the scheme and to return to Cabinet at a later date to approve the appropriate delivery vehicle.
- (ix) That it be recommended to Council that Council notes the proposed development scheme and financial model and approves the provision of £26,575,836 in the 2022/23 Capital Programme to deliver the scheme within the parameters set in Section 57 and detailed in Appendix D.
- (x) That Council authorises officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use

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of compulsory purchase orders and return to Cabinet or Council to resolve invoking such powers if needed; and

- (c) That Cabinet be satisfied with the robustness of the assumptions and mitigations for the risks and evaluate the case for locking in the current rates; and report to Council.

Housing & Health Advisory Committee (17 January 2022, Minute 48)

The Strategic Head of Commercial and Property presented the report which outlined the Council's plans to redevelop the former Swanley Working Men's Club site and adjacent car park at Bevan Place.

It was noted that paragraph 4 of the report should be altered to read as: "The proposed scheme included up to 93 homes."

The scheme would also incorporate retail uses along the High Street, a communal garden and landscaped surface car-parking for residents. The scheme would include the highest environmental and sustainability standards possible to ensure the scheme was not only an exemplar benchmark scheme for Swanley, but would also enhance residents' well-being.

Officers were seeking approval to progress the scheme, applying for planning permission and procuring a lead design and build contractor to deliver the scheme subject to obtaining all the necessary statutory consents. Practical completion was envisaged by 2024.

Members discussed the report.

In response to questions it was confirmed that the gardens access to sunlight was being looked at and flood-risks were being investigated. Some concern was expressed as to the loss of trade and infrastructure in Swanley due to the new site.

It was confirmed that this was a strategic site and the project team were in discussions with KCC in order to provide adequate access and egress from the site. A sustainable Travel plan was also being prepared.

Public Sector Equality Duty

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

Resolved: That

- a) The advisory committee endorse the redevelopment of the site to deliver a new residential-led development.

b) That it be recommended to Cabinet that the recommendations below be endorsed:

(i) Cabinet endorses the development of a new residential-led scheme on this site which will deliver up to 93 new homes, retail uses, communal and public garden, resident car parking and highway improvements to Bevan Place;

(ii) Cabinet notes the viability challenges this site and scheme presents and approves the delivery of this scheme using an income-based financing model (rent model) that will result in the Council retaining housing and retail stock to generate income to repay the cost of the development;

(iii) Cabinet recommends to Council the provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme to deliver the scheme within the parameters set in Section 57 of this report and notes that this is in addition to the previously approved amount of £730,000 in the 2021/22 Capital Programme for this project;

(iv) Cabinet approves the acquisition/inclusion of the adjacent West Kent Housing Association land and buildings, known as 1-12 Bevan Place, Swanley, and to enter into a development agreement with West Kent Housing Association that will result in 14 residential units being transferred to West Kent Housing Association on a leasehold basis, the terms of which are outlined in the draft Heads of Terms in Appendix C and delegates authority to the Strategic Head of Property and Commercial Services and the Chief Officer Finance and Trading following consultation with the Cabinet Member for Finance & Investment to agree and finalise necessary agreements with West Kent Housing Association;

(v) Cabinet recommends to Council to authorise officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders;

(vi) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investment to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability and in accordance with financial parameters set in Section 57; and

(vii) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates

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authority to the Strategic Head of Property and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential units to be developed.

(viii) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial following consultation with the Chief Officer Finance and Trading and the Cabinet Member for Finance & Investment to prepare appropriate contractual arrangements to set up an appropriate delivery vehicle for the scheme and to return to Cabinet at a later date to approve the appropriate delivery vehicle.

c) That it be recommended to Council that Council notes the proposed development scheme and financial model and approves the provision of £26,575,836 in the 2022/23 Capital Programme to deliver the scheme within the parameters set in Section 57 and detailed in Appendix D.

d) And That Council authorises officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders and return to Cabinet or Council to resolve invoking such powers if needed.

BEVAN PLACE, SWANLEY - DEVELOPMENT PROPOSAL

Cabinet - 10 February 2022

Report of: Strategic Head of Property and Commercial

Status: For Decision

Also considered by:

- Housing & Health Advisory Committee - 17 January 2022
- Council - 22 February 2022
- Finance & Investment Advisory Committee - 11 January 2022

Key Decision: Part Key (recommendation d)

Executive Summary:

1. Sevenoaks District Council (SDC) is proposing to redevelop the former Swanley Working Men's Club site and adjacent car park at Bevan Place, Swanley. Discussions are currently ongoing to include West Kent Housing Association land next to the Council's land. This larger site would, subject to the receipt of planning permission, see the development of a landmark residential-led scheme at an important gateway site within the Swanley Town Centre.
2. This gateway site has been the subject of numerous options studies to determine the optimum quantum of development, while also recognising its strategic importance to help unlock development in Swanley with a new development standard.
3. Following a series of pre-feasibility studies, in February 2021 Council approved a sum of £730,000 to assemble a project team to undertake detailed design work, feasibility studies and site investigations. Consultants were appointed in May 2021 and work has been progressing at a steady state. The project has now reached a juncture where the next levels of approval are required.
4. The proposed scheme includes 93 new homes, retail uses along the High Street, a communal garden and landscaped surface car-parking for residents. The scheme will incorporate the highest environmental and sustainability standards possible to ensure the scheme is not only an exemplar benchmark scheme for Swanley, but will also enhances resident well-being.

5. Officers are now seeking approval to progress the scheme, apply for planning permission and to procure a lead design contractor to deliver the scheme subject to obtain all the necessary statutory consents.

This report supports the Key Aim of: improvements to public realm and infrastructure and meeting housing targets. The provision of new housing is a key priority and pressure point for the District.

Portfolio Holders: Cllr. Peter Fleming and Cllr Matthew Dickins

Contact Officers: Detlev Munster, Ext. 7099

Recommendation to Advisory Committees:

- (a) The Advisory Committees endorse the redevelopment of the site to deliver a new residential-led development;
- (b) The Advisory Committees endorse the proposed recommendations to Cabinet.

Recommendation to Cabinet:

- (a) Cabinet endorses the development of a new residential-led scheme on this site which will deliver 93 new homes, retail uses, communal and public garden, resident car parking and highway improvements to Bevan Place;
- (b) Cabinet notes the viability challenges this site and scheme presents and approves the delivery of this scheme using an income-based financing model (rent model) that will result in the Council retaining housing and retail stock to generate income to repay the cost of the development;
- (c) Cabinet recommends to Council the provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme to deliver the scheme within the parameters set in Section 57 of this report and notes that this is in addition to the previously approved amount of £730,000 in the 2021/22 Capital Programme for this project;
- (d) Cabinet approves the acquisition/inclusion of the adjacent West Kent Housing Association land and buildings, known as 1-12 Bevan Place, Swanley, and to enter into a development agreement with West Kent Housing Association that will result in 14 residential units being transferred to West Kent Housing Association on a leasehold basis, the terms of which are outlined in the draft Heads of Terms in Appendix C and delegates authority to the Strategic Head of Property and Commercial Services and the Chief Officer Finance and Trading following consultation with the Cabinet Member for Finance & Investment to agree and finalise necessary agreements with West Kent Housing Association;

- (e) Cabinet recommends to Council to authorise officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders;
- (f) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investment to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability and in accordance with financial parameters set in Section 57; and
- (g) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential units to be developed.
- (h) Subject to Council's approval of the capital provision of £26,575,836 in the 2022/23 - 2024/25 Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial following consultation with the Chief Officer Finance and Trading and the Cabinet Member for Finance & Investment to prepare appropriate contractual arrangements to set up an appropriate delivery vehicle for the scheme and to return to Cabinet at a later date to approve the appropriate delivery vehicle.

Recommendation to Council:

- (a) Council notes the proposed development scheme and financial model and approves the provision of £26,575,836 in the 2022/23 Capital Programme to deliver the scheme within the parameters set in Section 57 and detailed in Appendix D.
- (b) Council authorises officers to acquire any outstanding legal interests that may not be in the Council's ownership, which may include using its statutory powers, such as the use of compulsory purchase orders and return to Cabinet or Council to resolve invoking such powers if needed.

Reason for recommendation: To facilitate the regeneration of the Swanley Town Centre, and provide much needed housing in the district particularly in Swanley.

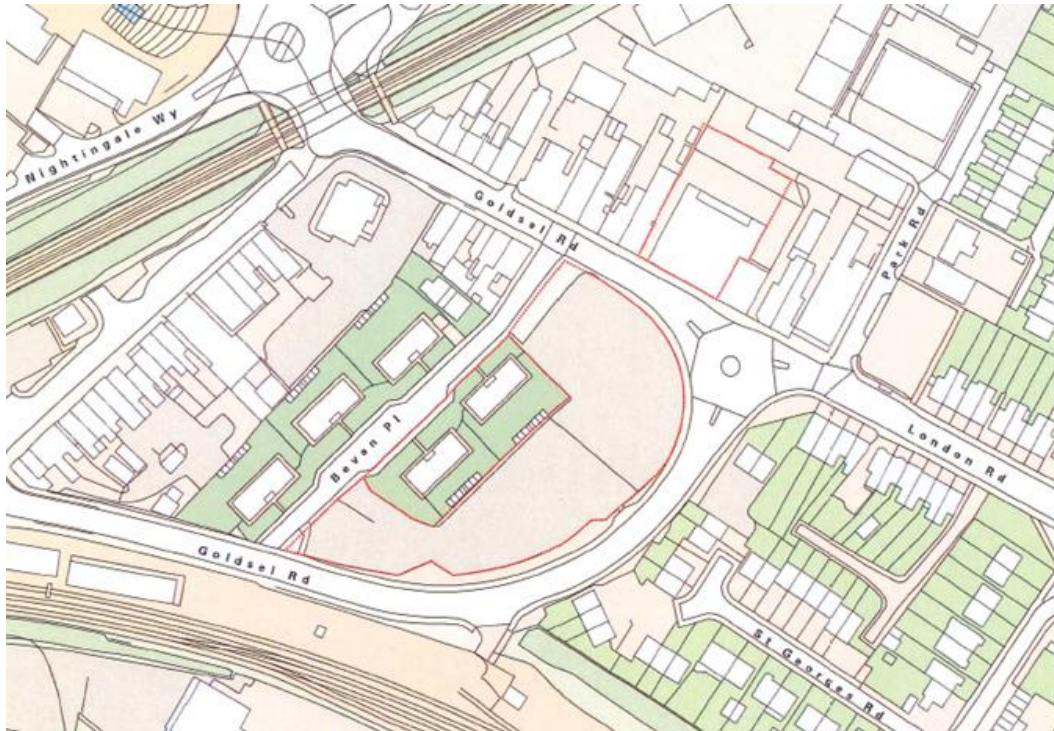
Introduction and Background

1. Swanley is an urban settlement in the northern part of the Sevenoaks District adjoining Dartford, Bexley and Bromley. Swanley is the most deprived area within the Sevenoaks District, with two of the wards (Swanley St Mary's and Swanley Christchurch) noted as having relative deprivation in the Local Plan. The town itself has excellent transport links with a motorway interchange providing junctions on the M25, M20, and A20 enabling travel both into Kent, Surrey and Central London. Swanley is within London Travel Zone 8 with Oyster travel into London in under 30 minutes.
2. Swanley has historically received little public or private sector investment and development, but is now on the cusp of a significant regeneration opportunity, which provides the potential to create a desired place to live and work. The Council considers Swanley to be an economic regeneration priority area.
3. In response to the Master Vision, Core Strategy and the Strategic Housing Market Assessment (2015), a residential-led scheme is proposed at the former Working Men's Club and Bevan Place Car Park. The proposed development site also incorporates land and buildings owned by West Kent Housing Association and Figure 1 below provides a map of the proposed development site.
4. A residential-led development is proposed on the development site. The proposed scheme includes 93 new homes, retail space, resident-only car parking, and a communal garden and other landscaping. The proposed scheme is designed to be a landmark building in Swanley.
5. The proposed development aims to:
 - Support the economic growth and regeneration of Swanley by introducing new residential and commercial development to the town centre;
 - Protect and enhance the vitality of town centre and ensure well designed places, incorporating healthy, inclusive and safe spaces;
 - Develop this gateway site to the Swanley town centre with an exemplar, high quality landmark building that will set a new development benchmark in Swanley;
 - Provide new homes that are sustainable and environmentally efficient;
 - Provide a communal garden that will be accessible to the general public and enhanced landscaping to promote biodiversity and reflect Swanley's market garden heritage;
 - Enhance the urban fabric in Swanley;
 - Provide affordable housing and market rented stock that is much needed in Swanley.
6. It is envisaged that the proposed development will be developed directly by the Council so that it can dictate the pace of development and retain control of the scheme's quality at this important gateway location.

7. The Council also proposes to transfer the development to an appropriate third-party company to manage the Council's commercial interests.

The Development Site

Figure 1: Site Location



8. The 1.71 acre proposed development site consists of:
 - SDC Public Car Park, Bevan Place, Swanley BR8 8BH; 0.71 acres; freehold by SDC.
 - 16-18 High Street, Swanley BR8 8BG (former Working Men's Club); 0.60 acres; freehold by SDC.
 - West Kent Housing Association (WKHA) 1-23 Bevan Place (two blocks of flats), Swanley BR8 8; 0.40 acres; freehold by WKHA, one flat acquired under right to buy and held on long lease.
9. Bevan Place is a cul-de-sac providing both pedestrian and vehicular access to the public car park and the WKHA blocks. The site is bounded by the B258 Goldsel Road and High Street on two frontages.
10. The former Working Men's club and retail buildings that bounded the High Street frontage were demolished in 2016. The surface car park to the west of the site has been in existence for a number of years and is underutilised.
11. The two WKHA blocks of flats are of traditional construction and each block contain six flats over three floors and are in need of improvement and retrofitting.

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12. The site has been assessed for a number of uses since 2016 when the Working Men's Club was acquired to supplement the adjoining SDC owned surface car park. Options have included a leisure centre to replace the existing White Oak Leisure Centre (WOLC), now in the course of re-development next to the existing WOLC.
13. Current proposals for the proposed development site are borne out of local need (housing, active frontages etc.) as well as a requirement for income to support development funding. Commercial uses and residential flats for sale and/or rent could contribute to income generation as well as capital receipts (flat sales).
14. Opposite the High Street frontage to Bevan Place (the former Working Men's Club site) at 27-37 High Street, SDC is delivering 17 flats and some flexible office space at ground floor level due for completion in Summer 2022. This will add to the critical mass of development on the High Street that will enhance vibrancy and vitality of the High Street.
15. The Bevan Place site is a 'gateway' site and the proposed development will be a landmark given its proposed height and position. Quality of design is a factor but so are local property values and the project budget has been set to reflect this, influencing materials and construction methods.

Strategic Context

16. In 2016, the Council prepared a "Master Vision" to be used in the development and regeneration of Swanley and Hextable. This document was prepared following extensive consultation with local residents, businesses and key stakeholders. The "Master Vision" identifies the proposed development site as an important gateway site to the town centre and proposes the site's use for housing and active frontages (Tibbalds, 2016).
17. The *Sevenoaks Core Strategy* was adopted in February 2011, covering the period up to 2026. Policy LO4 of the Core Strategy seeks to deliver new homes and jobs in Swanley as well as increasing the attractiveness of sustainable transport modes. The focus should be on regeneration and redevelopment within the urban area. Policy LO5 aims to bring about improvements in the town centre, including a mix of new uses, better links to the station and environmental improvements.
18. The *Allocations and Development Management Plan (ADMP)* was adopted in 2015 and identifies land for potential development subject to planning permission, promotes good design and promotes the conservation and enhancement of the Districts high quality natural and built environment. The ADMP includes the Bevan Place site within a list of housing sites.
19. The Strategic Housing Market Assessment (SHMA) 2015, projects the district's population growth to 2033 and notes that during this period the

population of the district will increase from 117,035 in 2013 to 136,504 in 2033 and that this will require 12,400 new homes. This equates to an annualised need for 620 new homes across the district, and most of this is to reflect demographic need. The SHMA suggests that the strongest demand for market housing will be for two and three bedroom properties. For affordable housing there is a greater proportion of need for one and two bedroom properties. However, there remains a need for a balanced mix of dwellings of different sizes to come forward. Tibbalds (2016) also points out that there is a general lack of Private Rented Sector properties in Swanley and that demand for this tenure is high, particularly from young people looking to move into their first home. This is confirmed by recent discussions with local estate agents and by our property consultants LSH.

The Proposed Development Scheme

20. Several design options were considered for the site and the preferred option (detailed in appendix A) proposes 93 new homes.
21. The current proposed scheme is being developed across two land parcels; the first is the Bevan Place Car Park and Old Working Men's Club which forms the majority of the site. The second is the land currently owned and operated by West Kent Housing Association (WKHA) comprising two 3 storey residential blocks. In partnership with WKHA, these two blocks will be demolished to allow for development. The total site area is 6,338.7 sq.m.
22. The existing site comprises of a number of trees, and the intended design seeks to retain all good quality category A and B trees on site, where appropriate and possible.
23. The proposed scheme is comprised of two main blocks that surround a central landscaped courtyard achieving a site coverage of 30%. Alongside this, the scheme provides allocated parking for residents providing a parking ratio of around 0.4 per dwelling. This lower parking ratio is proposed to reflect national planning policy that seeks to promote more sustainable modes of travel. This is support by the development's town centre location which is within close proximity (walking distance) to local amenities and public transport (Swanley train station is a 10-minute walk away with regular services into Kent and Central London, which is 30min away). Electric vehicle charging points will also be provided.
24. The proposed scheme comprises of 93 residential units (with a total GIA of 7,192.5 sq.m) within a massing of 3-6 storeys and at ground floor fronting the High Street, a Class E shell and core commercial unit of 201sqm.
25. The proposed scheme currently achieves the following mix:
 - 1-bed flat: 45 units (49%)
 - 2-bed flat: 43 units (46%)
 - 3-bed flat: 5 units (5%)

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26. The proposed scheme provides 6 wheelchair accessible units (6.4%), all of these being located at ground floor. The scheme provides all necessary cycle parking, refuse storage and plant requirements at ground floor.
27. Access arrangements along Bevan Place in light of this development have also been considered. Bevan Place is currently accessed only via the High Street and with the road width reduced to 3.2m in places, this makes servicing and access problematic. Highway improvement works are therefore proposed along Bevan Place to ameliorate the existing congested nature of the street. These works will result in enhanced access to the site and for adjacent land owners/residents, regularise parking along the road, and improve safety for road users. In particular, it is proposed that Bevan Place will become a one-way road, with ingress from the High Street and left-turn only egress onto Goldsel Road. This has received broad acceptance by Kent County Council.
28. Communal landscaped areas will be key to the success of the proposed scheme, and the design attempts to reflect Swanley's heritage and history as a 'market garden' town. The communal garden and landscaping will include the provision of certain fruit trees and edible borders. The communal landscaped areas will include seating and a play area. Further to this, planting to the edge of the site will be key to provide a successful threshold between road and building. The percentage of open space provided by the scheme is 70% and if the parking area is excluded, 49% is achieved.
29. The proposed scheme will be designed to meet Passivhaus principles, meaning the scheme will be very efficient with excellent thermal performance and comfort, thus reducing the need for external energy and reducing energy bills. PV panels will be provided at roof level, and the scheme will be heated in each flat via either Air Source or Exhaust Air Heat Pumps.
30. Surface water drainage is being addressed and a surface water management strategy that will include rain gardens, permeable paving where possible and attenuation tanks within the courtyard to reduce rainwater run-off rates is being designed.
31. Other environmental targets and features of the proposed scheme can be summarised as follows:
 - Designed to meet Passivhaus principles
 - Net Zero Operational Carbon - this will be mostly met entirely on site
 - Well above Building Regulations Part L standards
 - A fabric-first approach - reduced reliance on mechanical equipment
 - Excellent thermal fabric (good U-values)
 - Excellent air-tightness
 - Entirely electric via Air Source or Exhaust Air Heat Pumps
 - PV panels at roof providing on-site electrical power supply

- Designed to minimise overheating through the use of brise soleil and Mechanical Ventilation (MVHR) to each apartment
32. The Council has undertaken pre-planning application discussions with the local Planning Authority and the Highways Authority (Kent County Council). Initial planning feedback has been obtained and suggestions have been incorporated into the preferred option. The Council has also obtained feedback from a Design Review Panel and where appropriate, suggestions have been incorporated into the emerging design.

Public Consultation

33. Public consultation was undertaken during February and October in 2016 as part of the Swanley Visioning Study. 1,838 surveys were completed and over 1,000 people attended drop-in sessions. The key points noted from this exercise were:
- Housing was a key topic although opinions were divided on whether it was needed and where it should be located
 - More and better health and community facilities are required
 - A need for better quality and wider ranging retail uses
 - Residents were keen to retain leisure uses and open spaces
 - Bevan place was identified as an important gateway site for Swanley town centre
34. In June 2021, West Kent Housing Association initiated discussions with Bevan Place residents about the Council's and their intentions for the proposed development site. As scheme plans were still in the process of being developed, wider principles and issues were discussed. While these sessions were poorly attended, those residents that did attend were in favour of an improvement to their dwelling units, and were keen to have more details including their future living arrangements.
35. On the 19 November 2021, local District Ward Councillors and Swanley Town Council Members were invited to presentations on the 19th and 22nd November 2021 respectively.
36. In December 2021, Swanley residents and key interested and affected parties were invited to informal drop-in exhibition sessions, where they could meet key members of the project team, obtain more information about the development and provide feedback. The drop-in sessions were advertised with posters and flyers at strategic locations in Swanley (e.g. Doctor surgeries, ASDA, Aldi, White Oak Leisure Centre, local library, Swanley Town Council), flyers been dropped in letterboxes and front doors within a wide catchment area, and on social media managed by the Council. The drop-in exhibitions were held at the Alexandra Suite, Swanley, on Thursday 9 December (4.30pm to 8.30pm) and on Saturday 11 December (10am to 3.30pm).

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37. In addition to the public drop-in exhibitions, a drop-in session was held for Bevan Place residents only on Wednesday 8 December (4.30pm to 8.00pm). This resident only event was also advertised by West Kent Housing Association to its residents and a separate leaflet and letter was distributed to residents in Bevan Place.
38. A public webinar was also hosted via zoom on Monday 13 December (6.30pm to 7.30pm).
39. A total of 53 people attended the drop-in exhibitions and 5 people attended the webinar. At all these consultation sessions, councillors and residents were presented with an emerging scheme (see Appendix B which outlines the consultation material, approach and findings) and were informed that the Council wished to present emerging ideas and obtain feedback. This feedback would assist the project/design team to incorporate suggestions and improve the scheme where possible. This could ultimately lead to variations/adjustments being made to the scheme. Residents were however informed that they would have the ability to provide further feedback on the final scheme as part of the statutory planning consultation process, once the final scheme was submitted for planning permission.
40. Feedback from the consultation events was mixed. While the redevelopment of the site was generally supported, the following concerns were expressed:
 - loss of a public car park at Bevan Place;
 - limited number of parking bays being provided for residents;
 - high level of traffic noise and pollution along Goldsel Road and the High Street;
 - the height of the development is not in keeping with the surrounding area;
 - the building of homes will put pressure on existing services such as doctors and schools;
 - Concerns that the existing infrastructure will not be able to cope;
 - Concerns about overlooking from the existing houses onto the new houses;
 - Loss of trees;
 - Lighting to be designed in such a way to improve security and feelings of safety.
41. Further details of the consultation material used and feedback received can be found in Appendix B. However, some of the comments and suggestions received were anticipated and the emerging design attempts to address many of these issues. Other findings will be considered as the design develops. Area-wide concerns such as pressure on existing services will be considered via SDC's emerging Local Plan and Supplementary Planning Documents.
42. It is proposed that the local community and interested parties will be further consulted as part of the statutory planning process.

43. Given the possible incorporation of two residential blocks owned by West Kent Housing Association which affects 11 tenants and one leaseholder, further discussions will be held with these tenants and leaseholder as the scheme progresses. These meetings will be jointly hosted by the Council and West Kent Housing Association (WKHA). At this point in time, it suffices to say that the WKHA tenants will be found alternative suitable accommodation by WKHA.

West Kent Housing Association

44. The Council considers the Bevan Place car-park and adjacent land to be strategic to the regeneration of Swanley. A landmark development is warranted and a greater impact can be obtained by incorporating the WKHA land and buildings adjacent to the public car park.
45. Draft heads of terms (HoTs) have been agreed in principle between the Council and WKHA. It is proposed that WKHA will transfer its freehold and unencumbered interest with full vacant possession to the Council. The Council will in turn provide 14x 2-bed residential units in the new scheme on a 125-years leasehold basis with apportioned resident parking. WKHA is also proposing to acquire an additional 9x 1-bed units at full market value. The proposed draft HoTs are outlined in Appendix C, and further legal advice is being sought to ensure the transaction is appropriately structured.
46. WKHA proposes to use the 14 x 2-bed residential units for general needs housing and the 9 x 1-bed units for shared ownership. This will ensure the entire scheme has 23 (25%) affordable housing units.

Procurement

47. Subject to scheme viability and obtaining the necessary statutory consents, the scheme will need to be publically procured in accordance with the Public Contracts Regulations 2015.
48. The scheme will likely be procured using two or possibly a single stage Design & Build procurement route with a selection questionnaire and JCT Design and Build 2016 standard form of contract. A two stage process is preferred as it will allow the Council to appoint a main contractor under a PCSA first, thereby allowing the main contractor to prepare detailed design drawings and provide cost certainty prior to a final award being made.
49. A main contractor will be procured on a lump-sum fixed price basis and site clearance will be undertaken as part of the main build contract.

Delivery Programme

50. The project's indicative delivery programme, assuming planning consent is granted, is outlined in Table 1 below. Note this is subject to change:

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Table 1 - Indicative Project Timetable

Stage	Date	
Prefeasibility Study	December 2020	Completed.
Council approval of tranche 1 funding	February 2021	Completed.
Appointment of consulting team	May 2021	Completed.
Draft MoU with WKHA	June 2021	Completed.
Stage 1 design freeze	September 2021	Completed.
Interim Stage 2 Feasibility Sign-off	October 2021	Completed.
Corporate Programme Board	October 2021	Completed.
Design Review Panel	25 November 2021	Completed.
Public consultation	08-13 December 2021	Completed.
Strategic Management Team	14 December 2021	Completed.
WKHA Board sign-off (In-principle)	21 December 2021	Completed.
Finance & Investment Advisory Committee	11 January 2022	
Health & Housing Advisory Committee	17 January 2022	
Cabinet	10 February 2022	
Full Council	22 February 2022	
Planning Submission	July 2022	
Decision on delivery vehicle	July 2022	
Contractor Specification and ITT issued	September 2022	
Planning Determination	October 2022	
Contractor Appointment/award	December 2022	
Start on site	January 2023	
Practical completion	Winter 2024	

Financial Assessment

Note: Supporting information is located in Appendix D which is exempt from publication.

51. An external cost consultant (Playle and Partners) was appointed to advise on development costs, constructability and deliverability of the scheme. Cost advise was also tempered by the entire design team, and the cost plan is based on the emerging scheme's design and specification.
52. An external property consultant (Lambert Smith Hampton, LSH) was commissioned to determine the scheme's viability and advise on residential and retail sales and rents, general market conditions and product development. In addition, LSH has also consulted with local estate agents to advise on local market conditions.
53. Our property consultants suggest that the scheme is financially viable using a rent model. Their assessments have been closely scrutinised by the Council's Property and Finance teams and further external legal advice was sought from Trowers Hamlin.
54. The rent model requires the Council to operate as a PRS developer/investor, whereby it would take a longer term view and allow returns to be realised

over a longer period of time. The Council would build the residential and retail unit, and rents these units to the occupier market (as an investor). Net rents (after deduction of OPEX) are used to pay the interest cost associated with the loan.

55. Details of the cost plan, development appraisal and rent model can be found in Appendix D, where it can be noted that the scheme generates a residual land value and a positive net present value (NPV).
56. The financial appraisal includes a robust contingency and risk and inflation allowance. The appraisal has also undergone stress testing to determine its sensitivities to cost pressures, interest rate rises, decline in sales/rental values to mention a few, and these have set the financial parameters within which a viable scheme can be delivered.
57. The financial envelope for the proposed scheme (Option B) as summarised in Appendix D is:
 - The total project cost is not to exceed £26,575,836;
 - The preferred scheme is to be delivered using a rent-model;
 - The maximum interest rate that can be applied is 3%;
 - The minimum NPV acceptable to the Council is £8.1m;
 - The residual land value of £1.45m is to be realised on practical completion (PC).

Project Governance

58. A Project Team has been set up within the Council and is being supported by a multi-disciplinary team of external consultants. The key external consultants include:
 - Bell Philips Architects as lead design consultant and Principal Designer
 - Lambert Smith Hampton as property consultant
 - Playle and Partners as cost consultant, project manager and employers agent
 - Centro plan as planning consultant
59. Structural, civil, traffic, fire and M&E engineers, together with other specialist consultants (landscape architects, arboriculturalist, to mention a few) were also appointed when tranche 1 project funding was approved by Council in February 2021.
60. The Project Team meets fortnightly and has adapted PRINCE2 methodologies to manage the project.
61. The Project Team reports to the Corporate Programme Board (CPB), which has oversight of the project. Monitoring reports (including highlight reports/exception reports, budget monitors and the risk register) are

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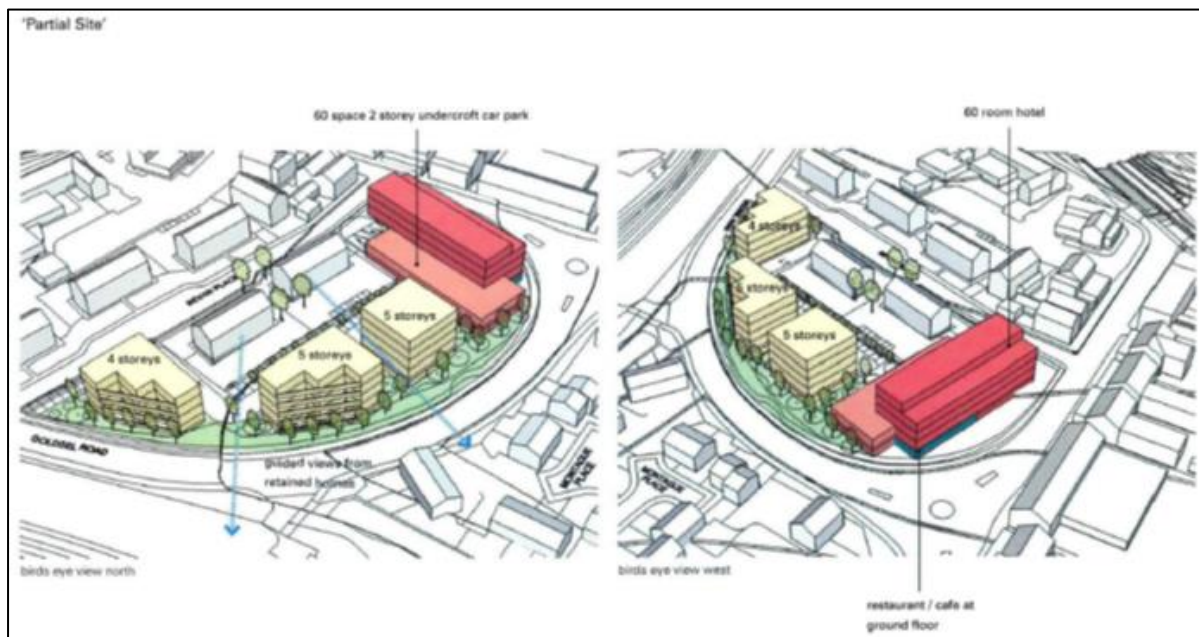
submitted monthly to the CPB. The CPB consists of senior officers within the Council and is chaired by the Chief Executive.

62. The Cabinet Members for Finance and Investment, and for Improvement and Innovation are provided with regular updates by the Strategic Head of Property and Commercial Services and the Chief Executive.

Other Options Considered

63. Status quo option. This option would result in the former Working Men's Club site remaining vacant and the Bevan Place car-park remaining operational. It would also result in the two West Kent Housing blocks remaining in-situ. The Local Plan, Master Vision for Swanley and the emerging local plan consider this to be an at important development site in the Swanley Town Centre. Maintaining the status quo is not considered an efficient use of either the car park, which is under-utilised, or the former Working Men's Club (which was demolished in 2016) and would not contribute to the regeneration of Swanley. The housing blocks are also considered to be in need of significant retrofitting and it is considered more cost effective to demolish these units rather than retrofit them. As a result, maintaining the status quo does not meet the Council's or WKHA's objectives and ambitions.
64. Alternative uses for the Council owned site: Providing commercial uses on this site is not considered viable. However, consideration was given to the location of a hotel on this site, but this would not result in the site being optimised for development. While a mixed use scheme was considered that would include a hotel, physical, planning and viability constraints precluded this option.
65. Alternative residential layouts including alternative densities. A low rise development was considered on this site, but its density was not considered appropriate for this strategic town centre location. A lower density development would also not provide the transformational step change that the Council is seeking to catalyse Swanley's regeneration. In addition to a lower density scheme, a variety of alternate site layout options were considered, some examples are illustrated in Figure 2 below. Unfortunately, prefeasibility studies suggested that none of these options were viable.
66. Alternative delivery mechanism/model: A traditional delivery model, where the Council would build to sell the development, was considered but not considered viable. Details of this assessment are included in Appendix D.
67. Site disposal to a private sector developer: This option was considered and ruled out. While there is interest in the market for this site, informal discussions with potential developers suggest that offers from the market would fall below the Council's expectations. This is due to the challenging nature of this site's development. In addition, the Council would not be able to control quality, type of tenure and pace of development on this strategic site.

Figure 2 - Example of alternative options considered



68. An alternative option would be to dispose of the site with planning permission. This option has been ruled out as there is no guarantee that a developer will implement the planning consent. A private developer would seek to maximise profits. The Council would therefore lose control over this site and would not be able derive other community benefits and value from this site.

Risk Assessment

69. A table outlining the key risks relating to this project are outlined in Appendix E.

Financial Implications

70. In February 2021, council approved £730,000 to be included in the 2021/22 Capital Programme. This funding would enable the appointment of consultants to undertake detailed design and feasibility work. To date, the Council has spent £332,000 (08/12/2021). These costs are included in the cost plan and financial appraisal outlined in Appendix D.
71. The project team has now prepared a scheme that can be delivered using a rent model. The assumptions in the cost plan and the assumptions in the model (as outlined in Appendix D) appear to be robust and provide the Council with flexibility.
72. The financial parameter as set in Section 57 is expected to deliver a viable scheme. LSH advises that the proposed scheme would have a book entry value of c. £19.1m upon scheme PC.

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73. The model generates a residual land value of £1.45m from practical completion. This capital receipt will be used to off-set the cost the Council incurred in acquiring the former Swanley Working Men’s Club.
74. The proposed scheme is intended to be funded (ultimately) from rental income from the residential and retail units (see Appendix D for more information). The model also includes a capital receipt generated from the sale of residential units to WKHA. According to the financial model, a cash surplus is generated from year one. This cash surplus, whilst modest in the first three years of operation, can be used by the Council to partially off-set loan repayments or could be used towards Council services, particularly in future years. Further details are provided in Appendix D.
75. The ‘White Oak Leisure Centre: New Build and Operator Procurement’ report approved by Council on 21 April 2020 included details of how the new centre would be funded. It was agreed that £10.63m would be funded by capital receipts from the sale and development of sites in Swanley including Bevan Place. The average annual cash surplus on the Bevan Place proposal in the first ten years (to tie in with the 10-year budget period) is £71,000, this would enable a 20 year (to tie in with the operator life cycle) PWLB annuity loan of up to £1.2m to be obtained as part of the £10.63m required from capital receipts for the new centre.
76. Table 2 below shows the expected expenditure over the duration of the project.

Table 2 - Expected Project Expenditure

	2021/22	2022/23	2023/24	2024/25	Total
	£	£	£	£	£
Expenditure	730,000	1,270,000	10,000,000	15,235,836	25,835,000

77. Short-term external borrowing will be used to fund the scheme during construction and at practical completion this will revert into a Public Works Loan Board (PWLB) loan. The potential financing costs are outlined in Appendix D and sufficient allowance is made in this cost to account for a range of future fluctuations in interest rates.
78. Consideration will need to be given to the VAT implications of the project. Dependant on the use of some of the elements of the project it may require specific VAT treatment. Further VAT advice is being sought from Trowers Hamlin.
79. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge known as the minimum revenue provision (MRP). It is proposed to use the ‘asset life method’ in the calculation of the Council’s MRP on an annuity basis where the principal repayments increase over the life of the asset. MRP commences in the financial year following that in which the expenditure is incurred, or in the year following that in which the relevant asset becomes

operational. This enables an MRP “holiday” to be taken in relation to assets which take more than one year to be completed before they become operational. The actual MRP charge will be calculated on individual categories of asset to ensure the appropriate MRP charge is recognised.

Legal Implications

80. The Council has been through a process of determining the extent of its title together with any relevant restrictions. This has included the commissioning of a Development Constraints Report by the law firm Charles Russell Speechlys (April 2021). The report set out an action plan to overcome any weaknesses, which includes registration of the full development site, consolidating titles and, where appropriate, seeking insurances.
81. The land is currently held by the Council for a number of purposes, with the majority of the Council’s land being for the purpose of a car park. Section 122 of the Local Government Act clarifies that where land held by the Council is no longer required for the purpose for which it was previously held then it may be appropriated for another purpose. At a later stage, should the project receive planning permission, then it would be right for the Council to consider whether the land should be appropriated for the purposes of proper planning, including section 203 of the Housing and Planning Act 2016. Where appropriated for planning purposes the Council may proceed with a project without threat of injunction to enforce private rights. A further report would be provided at the time.
82. Importantly, part of the development site is within the freehold ownership of West Kent Housing Association (WKHA). However, it is ultimately intended that 14 units are to be transferred back to WKHA following the development under long leases of 125 years. The mechanism for incorporating their land into the development site is still subject to external legal advice. However, the indicative plan may involve the transfer of the land to the Council subject to the parties simultaneously entering into Development Management Agreements and an Agreement for Lease, to provide assurance to both parties. Such transfers are also to be subject to Stamp Duty Land Tax, which forms part of the external advice being sought.
83. The Council will be responsible for ensuring that all statutory approvals, including planning permission and building control, are obtained through the development process.
84. As part of the development it is expected that works will be required to the highway network. Standard agreements should be entered into for these purposes with the Highways Authority. This would include under section 278 of the Highways Act 1980. Additionally, it is likely that the Council may need to request a Traffic Regulation Order for the purposes of the development.

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85. The proposed works would exceed the PCR thresholds and so would normally require the Council to conduct a national tender competition, including on Find a Tender, for the future contractor. However, Officers are currently exploring appropriate frameworks, which are already established under competitive conditions, to streamline the Council's processes while maintaining pressure on price.
86. It is envisaged that the construction contract will be split into two stages with the contractor involved in a Pre-Contract Services Agreement (PCSA). This has practical advantages including providing additional cost certainty by involving them at an earlier design stage and reducing the chances that significant changes are required after most of the design is set. However, a clear break would be provided to allow for the Council to change direction if dissatisfied with the performance or outcomes from the PCSA.
87. Should Officers pursue a framework arrangement then this will likely govern the choice of contract with any contractor. In most cases these will be from the JCT or NEC suite of contracts. Legal advice will need to be sought in ensuring the final form of contract, including any amendments, is appropriate and provides the Council with the necessary contractual safeguards.
88. The Council will need to consider the appropriate mechanism for the holding of assets following development, although it is expected that the Council will retain the freehold title. As noted above it is currently intended that certain dwellings be disposed to WKHA on a long lease. If the Council intends to retain any units itself then it must take account of the Housing Acts. As a Housing Authority the Council is not entitled to issue the industry standard Assured Shorthold Tenancies but rather may only issue Secure Tenancies. Further, since 1989 the Council has not retained a Housing Revenue Account; should the Council intend to retain fewer than 200 social units itself then they may apply to the Secretary of State for a direction to exempt those properties from the requirements of a Housing Revenue Account. As such it is envisioned that the remaining, market dwellings will be disposed/transferred to a third party to allow their commercial management.
89. Should the Council enter into any arrangements with its trading company or affordable housing company, any arrangements must be transparent and must not be in breach of rules on subsidy control. Any arrangements should generally be at market rates, mindful of what impact arrangements may have on the local economy.

Equality Assessment

90. The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. A positive impact on end users is, however, anticipated. In particular, it is worth noting that appropriate "equalities requirements" will be specified in the various

contracts to be entered into for the construction of the scheme. In addition, the scheme is designed to promote an inclusive environment.

Sustainability

91. A sustainability checklist has been completed, provided at Appendix F. The scheme will aim to achieve very high environmental performance targets in line with the Council’s Net Zero ambitions. Key sustainability measures and targets are outlined in sections 29, 30 and 31.

Conclusion

92. This dynamic scheme provides good quality new homes in an exemplar scheme on a strategic development site in Swanley’s town centre. The proposed development presents a unique regeneration opportunity for Swanley that will set a new design and sustainability benchmark for future growth.

<p>Appendices</p>	<ul style="list-style-type: none"> • Appendix A - Emerging Design Details • Appendix B - Public Consultation • Appendix C - Draft Heads of Terms with WKHA (Gold Papers - exempt from publication) • Appendix D - Financial Appraisal (Cost plan, development appraisal, financial model) (Gold Papers - exempt from publication) • Appendix E - Outline Risk Assessment • Appendix F - Sustainability Checklist
<p>Background Papers</p>	<ul style="list-style-type: none"> • Tibbalds (2016): Master Vision for Swanley and Hextable. • Sevenoaks District Council (2015): Strategic Housing Market Assessment. • <i>Sevenoaks District Council (2015): Allocations and Development Management Plan.</i> • Sevenoaks District Council (2011): Core Strategy. • Sevenoaks District Council (Feb 2021): Report to Council - Update to the Property Investment Strategy. • Bell Phillips Architects (Dec 2021): Bevan Place Interim Stage 2 Report • Bell Phillips Architects (Oct 2021): Bevan Place Stage 1 Feasibility Report • Bell Phillips Architects (Dec 2019): Bevan Place Feasibility Studies • Sevenoaks District Council (Dec 2021): Bevan Place Survey Results from December 2021 Consultation <p>The following background documents are exempt from publication. The applicable reason for this redaction is paragraph 3 of Schedule 12A of the Local Government Act</p>

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Appendices	<ul style="list-style-type: none">• Appendix A - Emerging Design Details• Appendix B - Public Consultation• Appendix C - Draft Heads of Terms with WKHA (Gold Papers - exempt from publication)• Appendix D - Financial Appraisal (Cost plan, development appraisal, financial model) (Gold Papers - exempt from publication)• Appendix E - Outline Risk Assessment• Appendix F - Sustainability Checklist
	<p>1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information). This is because it could prejudice the returns of a commercial tender that the Council will be undertaking and provides commercially sensitive information.</p> <ul style="list-style-type: none">• Playle and Partners (December 2021): Bevan Place Cost Plan (Interim Stage 2)• Lambert Smith Hampton (December 2021): Bevan Place Financial Model (Interim Stage 2)• Lambeth Smith Hampton (December 2021): Bevan Place Development Appraisals (Argus Models)• Lambert Smith Hampton (October 2021): Property Market Review• Savills (February 2019): Bevan Place Feasibility Assessments

Detlev Munster, Strategic Head of Property & Commercial

Appendix A - Emerging Design Details (Separate attachment)

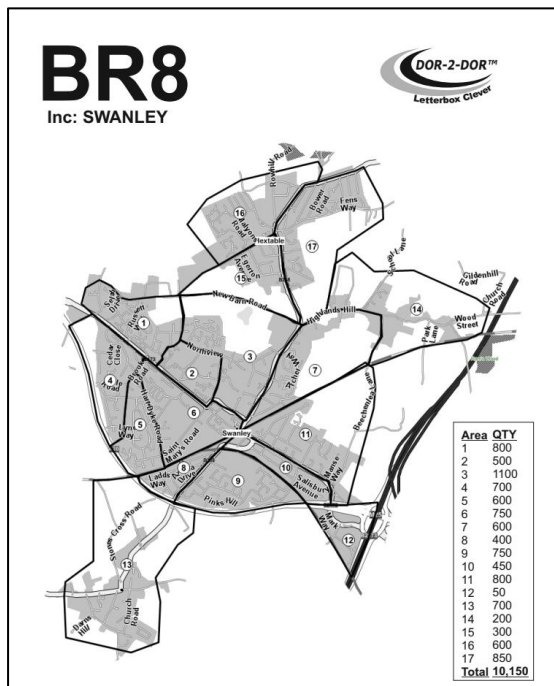
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Appendix B - Public Consultation

Introduction

1. This appendix provides an overview of the consultation material used, the consultation approach and a summary of the findings from the public consultation events.
2. The Council advertised the consultation events using social media, the Council’s website, and by dropping leaflets at resident and businesses front door letter boxes. The distribution area for these leaflets is shown in Figure B1 and leaflets were distributed to areas 8,9,10 and 11; c. 2,400 addresses.

Figure B1 - Leaflet Distribution Area



3. Posters were also placed in prominent locations throughout Swanley, for example at the Oaks and Cedar GP Surgeries, Asda, Aldi, White Oaks Leisure Centre, the local library and at the Town Council.
4. Residents in Bevan Place were also written to, and WKHA contacted its residents and leaseholders via email informing them of the residents only consultation event on the 8 December 2021.
5. Figure B2 is a template of the leaflet flyer that was distributed to over 2,000 residential and business addresses in close proximity to the

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development. The flyer template was also used for posters that were located in key locations in Swanley.

Figure B2 Flyer and Poster

Sevenoaks
DISTRICT COUNCIL

Sevenoaks District Council would like to present emerging design proposals for the Bevan Place Car Park & Old Working Men's Club site in Swanley. We would like to hear your views and thoughts.

A drop in session will be held at **The Alexandra Suite** on the following dates:

Thursday /	Saturday /
9th December /	11th December /
3pm - 7pm	10am - 3pm

A public webinar will take place on:

Monday /
13th December /
6.30pm - 7.30pm

Access to the webinar please visit:
www.sevenoaks.gov.uk/bevanplace

Alexandra Suite
Asda
Swanley Recreation Ground
Site

6. Figure B3 illustrates the consultation boards that were used at the drop-in exhibition sessions on the 8, 9 and 11 December 2021. The exhibition boards were also added to the Council's website and can be found here https://www.sevenoaks.gov.uk/info/20002/your_environment_and_community/600/bevan_place_proposals

Figure B3 - Example of the consultation boards




7. At the consultation events, attendees had the opportunity to discuss the proposed scheme with members of the project team, consisting of Council officers and project consultants. Attendees were invited to attach comments to the consultation board (see figure B4) and were also encouraged to submit a questionnaire through an on-line portal. However, certain residents requested a hard copy of the questionnaire and these were also provided. The closing date for the submission of comments via the questionnaire was Sunday 19 December 2021.

8. A public webinar was also hosted on 13 December 2021. The public webinar was hosted via Zoom and key members of the project team were in attendance. A presentation by the project architect was followed by a public question and answer session. Following the webinar session, attendees were invited to submit comments via the survey monkey portal

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and details were provided. A link to the survey monkey questionnaire was also provided on the Council’s website.

Figure B4 - Comment Board



Bevan Place / Timeline and Feedback

Timeline



Timeline	May 2022	September 2022	Mid 2023	Mid 2027
Design development A coordinated design is developed with the project partners, including landscaping, building services, structure, security and sustainability measures.	Planning submission The developed is submitted for planning. The community will have another opportunity to comment on the proposal when the planning application is considered.	Planning decision The planning submission is determined by Sevenoaks District Council.	Start on site If planning permission is granted the development is likely to begin in 2023.	Completion If the project begins in mid 2023, it is likely to be completed in 2027.

We welcome feedback from residents on the initial design ideas. Please add your post-it note with your comments to our feedback board below. We would also welcome you filling in and submitting a brief questionnaire to us, which can be found online at _____, or alternatively please fill in now and hand it over to a member of the project today. We will review the feedback that you have provided and incorporate it into future designs where appropriate.

For the latest news on the Bevan Place proposal, visit www.sevenoaks.gov.uk/bevanplace

Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks
Kent
TN13 1HG

Thank you for your time and views

Findings from the Consultation Events

9. A total of 53 people attended the drop-in exhibition sessions over the three days. Unfortunately, no Bevan Place residents attended the drop-in session dedicated for them, but this does not mean they did not attend any of the other public sessions, and we were informed that at least two attendees were indeed Bevan Place residents.
10. Attendee demographic information was not formally requested, but the project team in attendance noted that people that did attend were indeed local residents and were predominantly aged 55 years and above and slightly more males than females attended. Younger people and minority ethnic groups were under-represented.
11. A total of 5 people attended the public webinar, yet numerous questions were asked by those in attendance with sufficient time to provide detailed responses.
12. A total of 26 completed questionnaires were received. 11 were handed in at the events and the remaining 15 were completed online. While the sample size is relatively small, it nonetheless provides very useful pointers.
13. The key findings from the public consultation events (including the results of the questionnaire) can be summarised as follows:
 - Traffic and parking
 - Traffic in the area is already congested
 - High volume of traffic leads to pollution
 - Not enough parking for visitors to the High Street
 - Parking is insufficient for number of residential units
 - Public transport is poor - people need a car
 - Contractor traffic will exacerbate existing congestion
 - Housing
 - Concerns about number of social housing units and their cost
 - Lack of access to doctors in the area, strain on local services
 - What will happen to existing WKHA residents
 - Flat entrances onto Goldsel Road is a bad idea
 - Retail unit
 - Concerns about the use of the retail unit
 - Some felt a restaurant would cause noise at night whereas a café would be underutilised
 - Some felt there were not enough retail units
 - Garden
 - Fruit if unpicked will attract vermin and cause health issues
 - Questions over who will maintain the garden
 - Flooding and drainage
 - There is surface flooding on Goldsel Road
 - Current drainage infrastructure is insufficient
 - Height
 - Concerns that the proposed development will be too high

14. Findings from the consultation also suggest that:

- Bevan Place car park is a poor use of space and that the development should provide new homes, with strong support for the use of brownfield sites;
- there is support for a communal garden that is accessible to the public during day-light hours;
- there is support for the curve design;
- the sustainability measures proposed are important;
- the new dwelling units should have WIFI and cabling integrated into the units and that there should be a dedicated area that supports home working;
- there is a preference for open balconies rather than winter-gardens;
- the communal garden should have:
 - a landscaped mix of trees, grass, flowers and shrubs
 - seating
 - Multiple entry and exit points
 - street food events
 - children's play area
 - defibrillator point
 - café/coffee shop

15. There was also a view that the development would be a positive contribution.

16. The comments and responses provided are currently being reviewed by the project/design team to consider what improvements can be made to the emerging scheme. These will be reported as part of the planning submission.

Appendix E - Outline Risk Assessment

The table below summarises the projects risk register and outlines the key project risks considered relevant for this report.

TYPE	DESCRIPTION	MITIGATION
Finance	Capital receipts from the sale of the residential units are not achieved.	The scheme is not dependent on capital receipts other than for those units which WKHA wishes to acquire 9 x 1-bed units. A valuation exercise has been carried out for these units and while subject to negotiation the anticipated values are considered reasonable.
Finance	Rental income is not achieved.	Public consultation exercises and discussions with local estate agents suggest that there is a strong market for rental properties in Swanley. This is because move-on accommodation within the starter market is limited and there is a strong desire for people to live in Swanley. The proposed residential units are therefore being appropriately designed and finished for the target market. The rent level will also be appropriately set to reflect local market conditions. Given the mix of units within the scheme, the letting agent will also adopt a dynamic rent model which will allow rents to be negotiated accordingly. Additionally, should there be any difficulty in renting the units, the Council could consider letting the units at LHA rates.
Finance	Change in interest rates resulting in a higher cost of capital	Interest rates are at an all-time low and market swap rates suggest that favourable terms can still be locked in. The Council will however be using PWLB and this rate will be locked in for the duration of the loan term.
Finance	Exit value at end of term is not achieved.	At the end of the loan period the Council will have the option to either re-mortgage the development (and retain the stock for a longer period of time) or dispose of the dwellings. A conservation capitalisation rate (increase in residential property values) is being assumed and considered to be achievable. Indeed, our property consultants believe that the capitalisation rate could be higher.
Finance	Correct VAT treatment for this complicated scheme may increase costs.	Expert VAT advice being sought to assess and minimise any financial impact.
Finance	The operating model and the generation of income is sensitive to void rates and bad debt.	The operating model includes provision for bad debt and voids. Assumptions in this regard are modelled against industry standards.
Planning	Planning consent not obtained.	Pre-planning discussions will take place with the planning and highways authority and advice incorporated in the scheme. Initial feedback has been positive. If the scheme is not consented, then the site will be disposed to the market.
Developer	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by	Ensure adequate resourcing, programming, contingencies and robust project management in place. Team will ensure procurement of suitable, well qualified

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TYPE	DESCRIPTION	MITIGATION
	procurement via frameworks and developers.	consultants and advisors to assist in delivery where needed.
Developer	WKHA no longer wishes to be part of this development and does not consent to its land being developed	Negotiations with WKHA to date suggest that the in-principle draft agreement discussed provides WKHA with a very good offer. Commercially, we believe that they would not be able to get a better deal elsewhere. However, should WKHA decide not to proceed, the scheme has been designed in a way that the WKHA land can be excluded.
Economic/Health	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of Covid-19 and latest government guidance. Contingency and inflation allowance provided.
Construction	Abnormal site conditions encountered resulting in higher development costs.	Desk-top survey undertaken together with intrusive site investigations. These initial findings are informing design and cost plans. Additional intrusive investigations will be undertaken once design is fixed and costs will be updated accordingly. At the moment a significant contingency allowance is provided based on experience from other nearby sites.
Construction	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, covid-19 costs.	Works tendered on RIBA stage 3 information gives tenderers confidence the design is thorough and coordinated. It is also intended to engage with a contractor in the preparation of the detailed design, this will allow a greater degree of price certainty and buildability confidence. In turn this will allow the Council to tender the scheme on a fixed lump-sum fee basis. Realistic client contingencies are also in place for unforeseen. Robust change control process in place. Contract includes administration by Employers Agent.
Construction	Delays in scheme approval lead to increased costs due to construction inflation.	Robust information submitted to allow SDC Committees/Cabinet/Council to make timely decisions. Project Contract sum based on programme.
Construction	Problems during ground works (contamination/obstructions/soil type) exceed allowances based on RIBA stage 3 surveys, cause delay and extra costs.	Detailed ground investigation surveys will be undertaken prior to a contractor being appointed. Realistic contractor and client contingencies in place for unforeseens.
Public opposition	Residents oppose the scheme and prove awkward during construction	Early community engagement is to take place with Bevan Place residents and the wider Swanley community. This will allow the Council to flush out issues and incorporate/amend the scheme where appropriate. Discussion with Bevan Place will remain ongoing together with WKHA. Appropriate arrangements will be put in place to ensure residents are informed about the construction

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TYPE	DESCRIPTION	MITIGATION
		programme to ensure minimal temporary disruption to residents.
Management	The Council is unable to find a suitable third-party to manage and operate the scheme.	The scheme requires a third party to manage ASTs. There are currently numerous PRS operators in the market and the scheme has the critical mass to be of interest to the market. However, if a third party operator is not found, then the Council could potentially use its Quercus 7 company to manage and operate the development. Failing this, WKHA has indicated that this venture may be of interest to them, albeit it has not previously been done by them.
Operational	Maintenance and repair costs will be significantly higher than anticipated.	<p>Given that the Council will be retaining the development for 30 years, the scheme is costed and to be developed with a higher specification thereby reducing repair and maintenance costs. Additionally, the scheme is being designed to ensure ease of maintenance and repair.</p> <p>Costs will however be recovered through service charges and rents.</p>
Environmental	By 2050 the UK Government's ambition is to ensure all housing stock is net-zero/carbon neutral. This will require the scheme to be retrofitted resulting in additional costs.	The scheme is being designed to minimise the need for retrofit. A higher design specification is being used for this scheme which significantly exceeds current building regulations. The scheme is also designed to ensure its future operation is as environmentally efficient as possible given current technology. Indeed, we are aiming to ensure the new development meets Passivhaus standards.
Legislation	Government changes to what councils can invest in, borrow for or the appropriate accounting treatment.	Officers will keep up to date with legislation changes and obtain appropriate expert advice where required.

Appendix F - Sustainability Checklist

The following document is a “live” document and subject to changes/updates as the project progresses.

Name of Officer completing this form: Jessica Bolsin
Date checklist completed: 3 rd December 2021
Title of policy/strategy/project: Redevelopment of Bevan Place

What contribution/impact does this proposal make towards enhancing the Council’s commitment to sustainability?

- Tick: (✓) +ve - if the proposal makes a **positive** contribution
 -ve - if the proposal makes a **negative** impact
 ? - if there is **uncertainty** in predicting positive contribution or negative impact
 N/A - if the impact of the proposal is **outwith scope** of proposal

Categories	+ve			-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-			
Community Safety									
1) Help to reduce fear of crime	✓								Development will provide vast improvement on existing underused site. Emerging design will ensure that fear of crime is reduced e.g. through designing well lit and overlooked public spaces.
2) Help to reduce occurrence of crime	✓								Development will help to reduce opportunities for crime through increased footfall and

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Categories	+ve				-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-	-			
Community Safety										
										overlooked public spaces
3) Help to reduce occurrence of anti-social behaviour	✓									As above - design will ensure reduced opportunities for ASB
4) Ensure developments maximise security and safety using safer by design procedures as appropriate		✓								Designing out crime will be a specific action for project team
5) Encourage individual/community responsibility		✓								The development will improve the local environment which in turn encourages residents to respect the area and improve general attitude towards crime and safety. Communal edible garden will help encourage resident responsibility

A. Economy & Work										
6) Increase employment opportunities for local people		✓								New retail space will provide employment opportunities Contractor will be given targets on local employment directly or through supply chain.
7) Link local production with local consumption			✓							Contractor will be encouraged to source supplies and materials locally
8) Help local and community based businesses to set up and grow and promote rural diversity		✓								New retail space on ground floor will provide opportunity for new businesses or existing businesses to grow
9) Value and support unpaid work								✓		N/a

B. Education & Awareness Raising										
10) Foster appreciation and care for the local environment			✓							New improved landscaped areas will encourage residents to care and appreciate their surroundings. Environmental features in new homes will encourage residents to be conscious of their impact on the environment
11) Improve access to training, education and self-development opportunities for all			✓							Contractor will be given targets on local apprenticeships and training via ERs
12) Encourage the adoption of sustainable lifestyles and practices			✓							Proposed edible garden will help encourage healthy eating and practices
D. Equitable Access to Local Facilities & Services										
13) Address inequalities through allocating resources based on need									✓	n/a
14) Improve access to local services and facilities for local people				✓						No direct contribution but new development will be accessible to local services and facilities
15) Protect local shops and services			✓							92 new residential units bringing additional residents to Swanley town centre to

B. Education & Awareness Raising										
										support local services
16) Ensure access to usable open spaces and meeting places	✓									New scheme will provide new communal garden and improve accessibility to surrounding areas
17) Improve facilities, access and opportunities for people with disabilities, wheelchair users, people with pushchairs and elderly people		✓								Development will provide accessible units in line with planning policy. Communal garden and surroundings will be fully accessible
18) Improve opportunities, facilities and access for children & young people									✓	n/a
E. Health										
19) Reduce factors contributing to ill health (e.g. poverty, safety, diet, lifestyle, pollution)		✓								New quality housing contributing to improved health and wellbeing. Edible garden will encourage healthy eating and lifestyles. Cycle parking will encourage new residents to use sustainable transport methods
20) Provide support for elderly people and young people and their families			✓							Development will provide a mix of new homes including family homes

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B. Education & Awareness Raising										
21) Provide access to housing, appropriate to need	✓									92 new homes with a mix 1-3 bedrooms.
22) Increase opportunities for residents to partake in regular physical activity			✓							New communal garden will provide space for residents to exercise
23) Increase accessible leisure/ recreation opportunities for young people (i.e. in terms of cost/transport/supervision)									✓	n/a
F. Local Identity & Heritage										
24) Protect/enhance local heritage and features of cultural, visual and historic identity		✓								Whilst not directly contributing, redeveloping this site will help SDC meet its housing targets without encroaching on the green belt and AONB. It will vastly improve Swanley's visual identity
25) Contribute to local distinctiveness and promote design quality in new buildings	✓									Development will help set a precedent in the area for high quality design
26) Increase enjoyment/participation in arts, local culture and heritage									✓	n/a
G. Natural Environment										
27) Protect/enhance wildlife habitats (e.g. open spaces, trees, hedgerows, private gardens, some buildings, designated sites)	✓									New edible garden proposed along with new trees and improved landscaping to encourage and

B. Education & Awareness Raising										
										enhance biodiversity.
28) Increase tree cover, especially broad-leaved woodland			✓							Planting of additional trees within design
29) Improve/maintain public access to open spaces, wildlife areas and the countryside		✓								New public space will be provided as part of new development
30) Protect/enhance landscape quality/heritage and retain open land/countryside			✓							The scheme will provide new garden and landscaped areas
31) Protect/enhance the welfare of captive, domestic and wild animals			✓							Development will include garden and landscaped areas to protect/enhance animal's welfare
H. Participation, Democracy & Partnership										
32) Involve people in action			✓							The development team will offer a minimum of 1 consultation event to encourage residents to be involved in the design development
33) Involve appropriate partner organisations		✓								Working with WKHA to maximise redevelopment opportunities on the site
34) Increase access to information by communicating in different ways				✓						SDC Communications team will be involved in consultation and general publicity to help

B. Education & Awareness Raising										
										communicate in different ways
35) Effectively involve local people in decision making, especially under-represented groups including young and elderly people			✓							The development will involve a minimum of 1 consultation event to encourage residents to be involved in the design development. Efforts will be made to ensure the events are fully accessible (including option to provide comments remotely if unable to attend the events in person)
I. Pollution										
36) Contribute to minimising or preventing incidences of localised flooding	✓									SUDs features and landscaping will be incorporated into design to help reduce flood risk
37) Protect/enhance quality and availability of ground, surface and drinking water		✓								SUDs features and landscaping will be incorporated into design to help reduce sitting water and improve overall quality
38) Prevent/reduce land contamination and dereliction	✓									Redeveloping previously developed land to reduce contamination on areas of

B. Education & Awareness Raising										
										undeveloped land
39) Prevent/reduce air, noise and light pollution			✓							To be considered in design as part of SDC's net zero targets
40) Ensure the appropriate use and disposal of hazardous materials	✓									All hazardous materials will be appropriately disposed of via the contractor
41) Prevent an increase in waste production, fly-tipping, littering, dog fouling			✓							Design will ensure areas that might encourage fly-tipping are avoided. Overlooking will of public areas will help reduce littering and dog owners allowing dog fouling
J. Resource Use, Energy & Waste										
42) Minimise use of energy, water, minerals and materials (e.g. paper)					✓					Whilst construction requires use of energy and materials, all efforts will be made to ensure the construction and completed development is as sustainable as possible
43) Increase use of renewable energy sources (wind, water, wave, biomass, solar gain)		✓								Energy efficient measures will be incorporated into the development - e.g use of PVs where viable, dual flush WCs and restricted

B. Education & Awareness Raising										
										flow taps to reduce water consumption
44) Increase re-use and recycling of water, minerals, materials and waste			✓							Opportunities to use recycled materials will be explored as scheme progresses
45) Ensure the use of environmentally friendly/recycled materials				✓						Use of environmentally friendly/recycled materials will be considered where possible and contractor encouraged to do so via the ERs
46) Ensure the use of wood from sustainably managed sources			✓							Opportunities to incorporate into scheme will be identified as scheme progresses
47) Use brown field sites or vacant buildings rather than greenfield land	✓									Brownfield site being redeveloped
48) Ensure buildings are designed for a long life-span/future change of use	✓									Development will be developed to high quality with long life spans a priority
K. Transport & Access										
49) Reduce the number and length of car and lorry journeys			✓							Development is in the town centre and accessible to train station and bus stops to reduce number of car journeys. Bike stands provided to encourage

B. Education & Awareness Raising										
										residents to cycle. Lorry journeys will be increased during construction period.
50) Promote the movement of people by walking and cycling to reduce car dependency	✓									Cycle parking will be provided to encourage people to take methods of sustainable transport and reduce car use.
51) Improve conditions and facilities for pedestrians and cyclists	✓									Cycle parking will be provided. Pedestrian and cycle connectivity locally and into the town centre will be improved through emerging design
52) Increase use, availability & access to public transport particularly for disadvantaged groups		✓								Pedestrian connectivity around the new development and access to public transport will be enhanced through emerging design
53) Make use of new technologies/alternative fuels									✓	n/a

12. What changes will be made to the proposal as a result of using the sustainability checklist?

12.1 Community Safety
12.2 Economy & Work

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12.1 Community Safety
12.3 Education & Awareness Raising
12.4 Equitable Access to Local Facilities & Services
12.5 Health
12.6 Local Identity & Heritage
12.7 Natural Environment
12.8 Participation, Democracy & Partnership
12.9 Pollution
12.10 Resource Use, Energy & Waste
12.11 Transport & Access

13. Sustainability Implications Statement

Please refer to guidance notes

The Council's Environmental Policy Statement is applicable to all decision making. Taking this into account, please say what significant beneficial/adverse sustainability implications are contained in this document.

E.g. A positive contribution to recycling because....

A negative impact on combating crime because....

The redevelopment of the Bevan Place car park and former Men's Working Club will provide a positive contribution to all areas covered as part of the Sustainability checklist. The development is replacing an underused car park and derelict building, providing an opportunity to redevelop a brownfield site and in turn protecting the district's greenbelt and AONB.

The checklist demonstrates that the scheme is sustainable through the provision of new homes, providing a mix of smaller homes and family homes. It will also contribute to the natural environment by providing a new communal 'edible' garden and enhanced areas of improved landscaping, replacing the hard-standing car park area. Negative impacts are minimal and are primarily to do with the construction period itself rather than the long-term impact of the redevelopment. The scheme will be focusing on meeting SDC's net zero targets

and, subject to viability, will explore options including the use of PVs, ensuring the use of materials with low u-values to retain heat and through the provision of cycle parking and EVCPs.

14. It is recognised that when making the above decisions about sustainability impact, compromises and choices have to be made. Please list below any changes which were considered, but not proposed for implementation, giving the reasons for your choice:

Changes Considered	Reasons for non implementation
1.	
2.	
3.	
4.	

Director's signature: _____

Date: _____

Please send completed Sustainability Checklist to:
Simon Davies, Partnership & Project Officer, Community Development Team.

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Item 18 - White Oak Leisure Centre Residential Quarter, Swanley - Development Proposal

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2022 and the Housing & Health Advisory Committee on the 17 January 2022. The relevant Minute extracts are below.

Finance & Investment Advisory Committee (11 January 2022, Minute 47)

The Strategic Head of Property and Commercial presented the report that gave an update on SDC's project to redevelop the White Oak Leisure centre complex in Swanley.

Work on Phase 1, construction of the new leisure centre, had commenced and work was progressing well. Phase 2, demolition of the existing leisure centre, was on track to begin in February 2022. The report sought approval to proceed with Phase 3, the residential element of the scheme. A hybrid planning application was granted permission in October 2019 with full permission granted to redevelop the leisure centre and outline permission granted for this element. This was to provide a new residential quarter of up to 41 new dwellings on the northern part of the site where the old leisure centre and car park were at the time sited.

A full planning application was to be sought by July 2022 and, subject to planning being obtained, work would start on site in January 2023.

The proposed development aimed to provide:

- New homes including both flats and houses with private gardens
- Communal green space at the centre of the site
- Car parking
- Trees
- Enhancement of the urban fabric surrounding the new leisure centre

It was moved by the chairman and it was

Resolved: that under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix B. This document is exempt from publication on the grounds that likely disclosure of exempt information is involved as defined by schedule 12A paragraph 3 of the Local Government Act 1972: (Information relating to the

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financial or business affairs of any particular person (including the authority holding that information.))

Members considered and discussed the report and the exempt information.

Public Sector Equality Duty

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

Resolved: That

- (a) The Advisory Committee endorse the redevelopment of the site to deliver a new residential development;
- (b) The Advisory Committees endorse the proposed recommendations to Cabinet and Council as set out below:
 - (I) Cabinet notes the viability issues associated with this site and endorses the development of a new residential scheme on this site which will deliver 81 new homes;
 - (II) Cabinet recommends to Council the provision of £20,189,137 in the Capital Programme to deliver the scheme;
 - (III) subject to Council's approval of the capital provision of £20,189,137 in the Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investments to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability; and
 - (IV) Cabinet delegates authority to the Strategic Head of Property and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential units to be developed.
 - (V) That it be recommended to Council that the provision of £20,189,137 in the Capital Programme to deliver the

scheme which is to be funded as noted in the Financial Implications be approved.

Housing & Health Advisory Committee (17 January 2022, Minute

The Strategic Head of Property and Commercial presented the report that gave an update for phase 3 of the redevelopment of the White Oak Leisure centre complex in Swanley.

Work on Phase 1, construction of the new leisure centre, had commenced and work was progressing well. Phase 2, demolition of the existing leisure centre, was on track to begin in February 2022. The report sought approval to proceed with Phase 3, the residential element of the scheme. A hybrid planning application was granted permission in October 2019 with full permission granted to redevelop the leisure centre and outline permission granted for this element. This was to provide a new residential quarter of up to 41 new dwellings on the northern part of the site where the old leisure centre and car park were at the time sited.

It was envisaged that a full planning application would be submitted by July 2022 and, subject to planning being obtained, works could commence in early 2023.

The proposed development aimed to provide:

- New homes including both flats and houses with private gardens
- Communal green space
- Car parking
- Trees
- Enhancement of the urban fabric surrounding the new leisure centre

Members discussed the report. It was suggested that flats would generate a transient population which would not encourage residents to lay down roots in Swanley and that the sight should provide more family sized homes. The Strategic Head of Property and Commercial explained that the unit mix and size was based on the local housing needs assessment, the strategic housing market assessment, and based on discussions with local estate agents and research undertaken.

In response to a question it was confirmed that the initial 41 units that had been suggested were no longer financially viable. The Strategic Head of Property and Commercial explained that the cost and valuation assumptions needed to be revised to reflect current market conditions and site conditions. The lack of affordable housing was also questioned and in this was explained within the context of having to re-provide a new state of the art leisure centre.

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The Strategic Head of Property and Commercial explained that he would remain in consultation with Swanley Town Council and was happy to liaise with Members as required.

Public Sector Equality Duty

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

Resolved: That

(a) the Advisory Committee endorse the redevelopment of the site to deliver a new residential development;

(b) the Advisory Committees endorse the proposed recommendations to Cabinet and Council as set out below:

(I) Cabinet notes the viability issues associated with this site and endorses the development of a new residential scheme on this site which will deliver 81 new homes;

(II) Cabinet recommends to Council the provision of £20,189,137 in the Capital Programme to deliver the scheme;

(III) subject to Council's approval of the capital provision of £20,189,137 in the Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investments to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability; and

(IV) Cabinet delegates authority to the Strategic Head of Property and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Procedure Rules and for the disposal of the residential units to be developed.

(V) it be recommended to Council that the provision of £20,189,137 in the Capital Programme to deliver the scheme which is to be funded as noted in the Financial Implications be approved.

WHITE OAK LEISURE CENTRE RESIDENTIAL QUARTER, SWANLEY - DEVELOPMENT PROPOSAL

Cabinet - 10 February 2022

Report of: Strategic Head of Property and Commercial

Status: For Decision

Also considered by:

- Finance & Investment Advisory Committee - 11 January 2022
- Housing & Health Advisory Committee - 17 January 2022
- Council - 22 February 2022

Key Decision: No

Executive Summary:

SDC are redeveloping the White Oak Leisure Centre complex in Swanley.

Work on Phase 1, construction of the new leisure centre, has commenced and work is progressing well. Phase 2, demolition of the existing leisure centre, is on track to begin in February 2022.

This report seeks approval to proceed with Phase 3, the residential element of the scheme. A hybrid planning application was granted permission in October 2019 with full permission granted to redevelop the leisure centre and outline permission granted for this element. This was to provide a new residential quarter of up to 41 new dwellings on the northern part of the site where the old leisure centre and car park are currently sited.

The outline planning permission for 41 residential units is not considered viable and so SDC are increasing density on this site. A variety of options were considered and the provision of 81 new homes on the site is considered viable.

This report seeks approval to undertake further feasibility and design work to facilitate the submission of a planning application and to deliver the scheme subject to receiving all the necessary statutory consents.

The intention is to now progress the proposals to submit a full planning application in July 2022 and, subject to planning being obtained, will start on site in January 2023.

As this is a new capital project that is not yet accounted for in the Capital Programme, and given the estimated project budget, Council approval is required.

This report supports the Key Aim of: improvements to public realm and infrastructure and meeting housing targets. The provision of new housing is a key priority and pressure for the District.

Portfolio Holder: Cllrs. Peter Fleming, Matthew Dickins and Kevin Maskell

Contact Officers: Detlev Munster, Ext. 7099

Recommendation to Advisory Committees:

- (a) The Advisory Committees endorse the redevelopment of the site to deliver a new residential development;
- (b) The Advisory Committees endorse the proposed recommendations to Cabinet and Council.

Recommendation to Cabinet:

- (a) Cabinet notes the viability issues associated with this site and endorses the development of a new residential scheme on this site which will deliver 81 new homes;
- (b) Cabinet recommends to Council the provision of £20,189,137 in the Capital Programme to deliver the scheme;
- (c) subject to Council's approval of the capital provision of £20,189,137 in the Capital Programme, Cabinet delegates authority to the Strategic Head of Property and Commercial and the Chief Officer Finance and Trading, following consultation with the Cabinet Member for Finance & Investments to undertake further detailed design and feasibility work and to proceed with the scheme subject to final scheme viability; and
- (d) Cabinet delegates authority to the Strategic Head of Property and Commercial in consultation with the Chief Officer Finance and Trading and the Head of Legal Services to submit a planning application and to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential units to be developed.

Recommendation to Council:

That the provision of £20,189,137 in the Capital Programme to deliver the scheme which is to be funded as noted in the Financial Implications be approved.

Reason for recommendation: To provide much needed housing in the district particularly in Swanley.

Introduction and Background

- 1 Swanley is an urban settlement in the Northern part of the Sevenoaks District adjoining Dartford, Bexley and Bromley. Swanley is the most deprived area within the Sevenoaks District, with two of the wards (Swanley St Mary's and Swanley Christchurch) noted as having relative deprivation in the Local Plan. The town itself has excellent transport links with a motorway interchange providing junctions on the M25, M20, and A20 enabling travel both into Kent, Surrey and Central London. Swanley is within London Travel Zone 8 with Oyster travel into London in under 30 minutes. The area itself has however, had little public or private sector investment and development in the past, but is now on the cusp of a significant regeneration opportunity, which provides the potential to create a desired place for the future.
- 2 The site sits within a residential area on the northern side of Swanley Town Centre. The existing leisure centre is adjoined by White Oak Indoor Bowls Club which is to be retained and operated in its current form. The existing site had allocated Open Space in the south-west corner on which the new leisure centre is being constructed. This open space will be re-provisioned within this proposed new residential development where the existing leisure centre sits.
- 3 The proposed development aims to provide:
 - New homes including both flats and houses with private gardens
 - Communal green space at the centre of the site
 - Car parking
 - Trees
 - Enhancement of the urban fabric surrounding the new leisure centre
- 4 Profit from the construction of the residential phase is required to part contribute to the construction of the new leisure centre, already on site. As a result, all housing will be market sale with no affordable provision.

The Proposed Development Scheme

- Several design options were considered for the site and the preferred option (detailed in appendix A) proposes:
 - 11x 3b5p houses
 - 15x 1b2p flats
 - 32x 2b3p flats
 - 14x 3b4p flats
 - 9x 4b4p flats
 - Car parking spaces, private gardens, soft and hard landscaping and trees.

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- 5 The proposed layout offers 81 residential units comprising two blocks of flats at two and five storeys in height, alongside 11 two storey houses with private gardens. This layout also provides 120 parking spaces with a green space and soakaway at the centre of the site. The remainder of the site is reserved for green space.
- 6 Initial planning feedback has been obtained and suggestions have been incorporated into the preferred option to be taken forward for further review in the next design stage.
- 7 The options appraisal suggests that the preferred option (Option B) is viable from a planning and financial perspective, but further detailed analysis is required to refine the preferred option.
- 8 Consequently, the next stage will involve the preparation of detailed designs for the site (to RIBA Stage 3) as this level of information is required to not only obtain a planning consent, but also to clarify viability and de-risk the project and to enhance confidence in deliverability.
- 9 The next stage will undergo a further detailed investment appraisal to determine viability, and will only proceed if it meets the scheme's aims and is within the financial parameters set (see Appendix B - confidential).

Public Consultation

- 10 Public consultation was undertaken during February and October in 2016 as part of the Swanley Visioning Study. 1,838 surveys were completed and over 1,000 people attended drop-in sessions. The key points noted from this exercise were:
 - Majority of residents (96%) wanted to keep a leisure centre in Swanley.
 - Housing was a key topic although opinions were divided on whether it was needed and where it should be located
 - More and better health and community facilities are required
 - A need for better quality and wider ranging retail uses
 - Residents were keen to retain leisure uses and open spaces
- 11 In addition, residents were consulted on the new leisure centre in March 2019, as well as the statutory consultation undertaken for the hybrid planning application in October 2019. A summary of the feedback provided, more specifically relevant to the residential phase includes:
 - The building of homes will put pressure on existing services such as doctors and schools
 - Concerns the existing infrastructure will not be able to cope
 - Concerns about overlooking from the existing houses onto the new houses
 - Loss of trees

- Lighting to be designed in such a way to improve security and feelings of safety

Some of these findings have already been addressed within the emerging design, including the planting of trees and designing of new public spaces that will be well lit and feel safe. Other findings will be considered as the design develops. Area-wide concerns such as pressure on existing services will be considered via SDC’s emerging Local Plan and Supplementary Planning Documents.

- 12 It is proposed that the local community and interested parties will be further consulted as part of the detailed design process. This will involve a consultation to outline the proposed detailed design during through the design stage to refine the scheme where appropriate prior to submitting a planning application.
- 13 Following the pre-planning consultation, further consultation will take place as part of the statutory planning process.

Procurement

- 14 Subject to scheme viability and obtaining the necessary statutory consents, it is envisaged that the scheme will need to be publically procured in accordance with the Public Contracts Regulations 2015.
- 15 The scheme will likely be procured using two or possibly a single stage Design & Build procurement route with a selection questionnaire and JCT Design and Build 2016 standard form of contract. A main contractor will be procured on a lump-sum fixed price basis.
- 16 The demolition and site clearance may be under a separate contract.

Delivery Programme

- 17 The project’s indicative delivery programme, assuming planning consent is granted, is outlined in the table below. Note this is subject to change:

Stage	Date	
Corporate Programme Board	October 2021	Completed.
Strategic Management Team	7 December 2021	
Finance and Investment Advisory Committee	11 January 2022	
Health & Housing Advisory Committee	17 January 2022	
Cabinet	10 th February 2022	
Full Council	22 nd February 2022	
Appoint Project Team	February 2022	

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Planning Submission	September 2022	
Contractor Specification and ITT issued	December 2022	
Planning Determination	December 2022	
Contractor Appointment/award	March 2022	
Start on site	June 2023	
Practical completion	March 2025	

Project Costs

Supporting information at Appendix B (exempt from publication)

- 18 An external property consultant (Pathfinder Development Consultants) was commissioned to determine the scheme's viability and advise on residential sales. In addition, the team has also consulted with local estate agents to advise on potential market sales. Our property consultants suggest that the scheme is financially viable and their assessments have been closely scrutinised by the Council's Property and Finance teams.
- 19 Details of the development appraisal can be found in Appendix B, where it can be noted that the scheme generates a profit that will be used to part-finance the new White Oak Leisure Centre. The financial appraisal (seen in Appendix B) includes a robust contingency and risk and inflation allowance. The appraisal has also undergone stress testing to determine its sensitivities to cost pressures, interest rate rises, decline in sales values to mention a few, and these have set the financial parameters within which a viable scheme can be delivered. These financial parameters are outlined in Appendix B.

Project Governance

- 20 A Project Team has been set up within the Council and will be supported by external consultants. In particular, the Council will appoint a specialist cost consultancy firm to act as Employers Agent and QS.
- 21 The Project Team will be adapting PRINCE2 methodologies to manage the project.
- 22 The Project Team will be reporting to the Corporate Programme Board (CPB), which will have oversight of the project. Monitoring reports (including highlight reports/exception reports, budget monitors and the risk register) will be submitted monthly to the CPB. The CPB consists of senior officers within the Council and is chaired by the Chief Executive.

Other Options Considered

- 23 Do nothing. This option requires the Council to cover the full costs of the construction of the new leisure centre which is now on site. It is expected that the residential element will generate approximately £2.643m towards

the new leisure centre. The do nothing option also does not release land for much needed housing. Most notably, the District’s Strategic Housing Assessment (2017) suggests that this part of the District requires 98 homes a year. A better result will be achieved by contributing capital receipts to the cost of the leisure centre whilst also providing some modern housing and to improve the landscaping.

- 24 Four alternative design options were considered by our external consultant (LSI Architects) and the preferred option is considered the most financially viable and feasible from a planning perspective. The proposed design maximises the number of new homes whilst sitting sensitively with the existing site’s uses and the surrounding estates built context. Preliminary views of the Planning Authority have been obtained and this option supported. Additionally, cost plans and feasibility assessments were prepared for the respective options, and the preferred option is considered to optimise site benefits and financial returns for the Council.
- 25 An alternative option would be to dispose of the site with planning permission. This option has been ruled out as the site’s complexities with the existing and new leisure centre, surrounding uses and requirement to contribute capital receipts to the new leisure centre would not suit a private developer who would seek to maximise profits. SDC is able to assess/consider community value not just financial viability.

Risk Assessment

- 26 A table outlining the key risks relating to this project are outlined in Appendix C.

Key Implications

Financial Implications

The scheme is intended to be funded (ultimately) from capital receipts from the sale of the residential units (see Appendix B for more information).

The table below shows the expected expenditure over the duration of the project.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£	£	£	£	£	£
Expenditure	250,000	2,050,000	9,500,000	7,450,000	939,137	20,189,137

81 residential units will be disposed of in the open market and according to the Council’s property consultant, they are expected to generate a sales receipt that will cover the scheme’s cost and return requirements (see Appendix B).

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Until the receipts from the sales of the residential units are received, short-term external borrowing will be used to fund the scheme. The potential financing costs are outlined in Appendix B.

Consideration will need to be given to the VAT implications of the project. Dependant on the use of some of the elements of the project it may require specific VAT treatment. Further VAT advice will be sought.

Legal Implications

The Council has freehold title of the site.

The Council leased White Oak to Sencio on 22 April 2004 and granted a 25-year lease to them running from the 10 February 2004. This has now expired, allowing SDC to redevelop the site. There are no covenants that the council are aware of that are relevant to the development site. The property register states that the land is subject to easements arising from 1) sales of land to West Kent Housing and 2) sales to the public under right to buy. These are mostly unspecified. A full title report has been commissioned and further investigation will be undertaken.

The Council will need to apply for planning consent and obtain all other necessary statutory approvals (e.g. building control approval) and these are known to the Project Team.

Due diligence assessments have identified that it would be suitable to appropriate the site for Planning purposes including to ensure proper planning. The Council is authorised to appropriate land that it owns under Section 122 of the Local Government Act where no longer required for the purpose for which it was previously held. The Council may not appropriate any land which consists of open space land unless it has published its intention in a local newspaper for at least two consecutive weeks and given due consideration to any responses received. It is intended that, if the development is approved, an appropriation would take place at a later stage.

The procurement of a design and build contractor, will need to be procured in accordance with the Public Contract Regulations 2015 thresholds, and will need to comply with the Council's Contract Procedure Rules. Legal advice will need to be sought in ensuring the final form of contract is appropriate and provides the Council with the necessary contractual safeguards.

There are no State Aid implications associated with the proposed scheme.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. A positive impact on end users is, however, anticipated. In particular, it is worth noting that appropriate “equalities requirements” will be specified in the various contracts to be entered into for the demolition and construction of the scheme. In addition, the scheme is designed to promote an inclusive environment.

Sustainability

A sustainability checklist has been completed, provided at Appendix D. The scheme will aim to achieve BREEAM excellent to outstanding, and will be delivered in line with SDC’s Net Zero ambitions.

Conclusion

This dynamic scheme provides good quality new homes on the site of the old White Oak Leisure Centre and car park. In addition, it will provide car parking, new open space, trees and enhanced landscaping. Together with the new White Oak Leisure Centre it presents a unique regeneration opportunity for Swanley that will set a new design and sustainability benchmark for future growth.

Appendices

- Appendix A - High Level Design Options
- Appendix B - Cost plan and development appraisal (Gold Papers - exempt from publication)
- Appendix C - Outline Risk Assessment
- Appendix D - Sustainability Checklist

Background Papers

- Hybrid planning application ref: [19/02951/HYB](#)
- LSI Architects: White Oak Residential Feasibility Study
- Geotechnical Investigation report

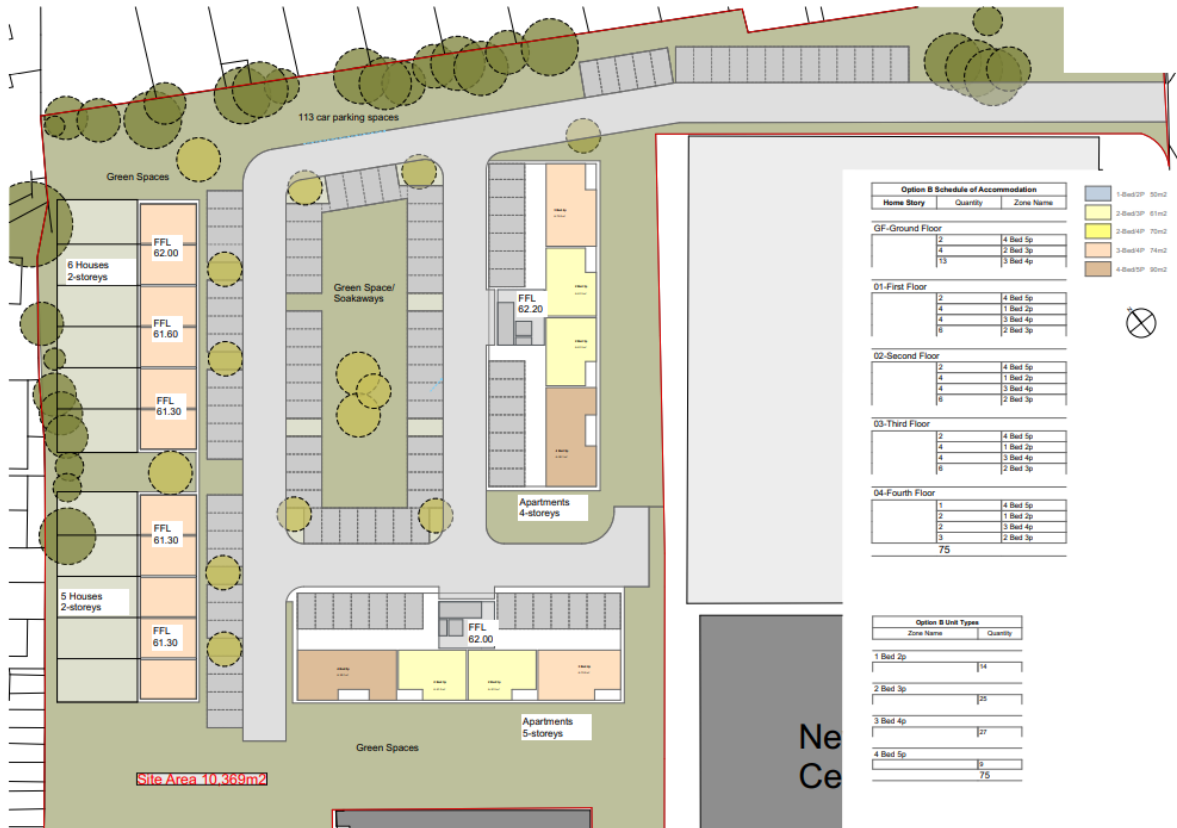
The following background documents are exempt from publication. The applicable reason for this redaction is paragraph 3 of Schedule 12A of the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information). This is because it could prejudice the returns of a commercial tender that the Council will be undertaking and provides commercially sensitive information.

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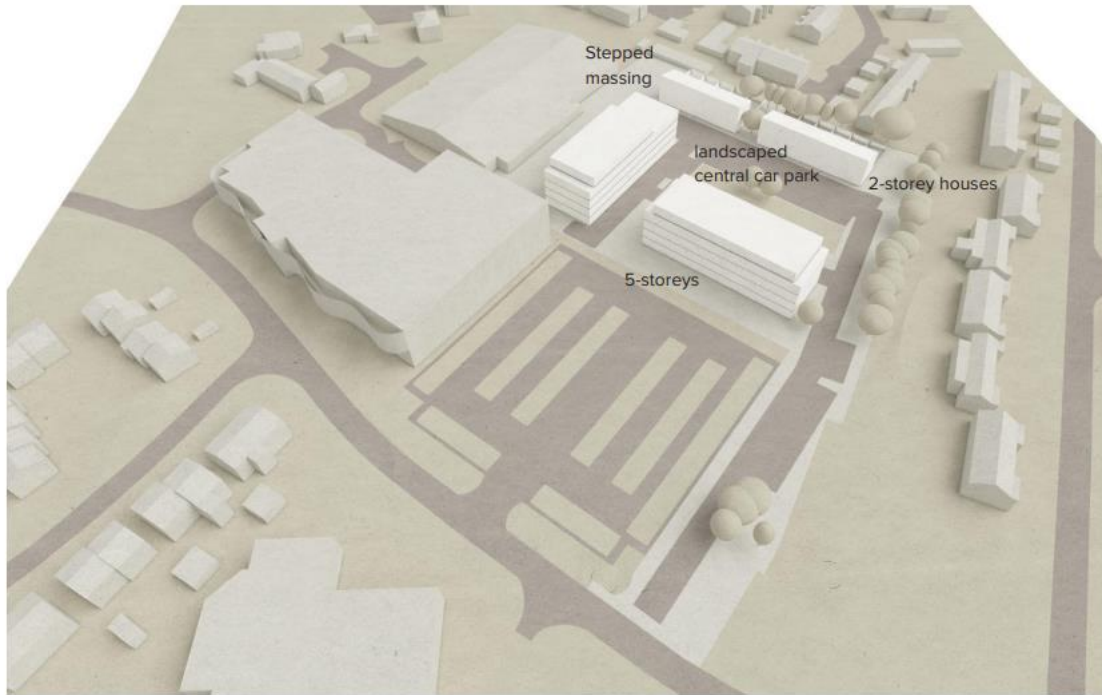
- Pathfinders Development Consultant (October 2021): White Oak Residential Viability Appraisal
- LSH's Residential Market Assessment - Bevan Place
- Playle and Partners (October 2021): White Oak Residential Order of Cost Estimate

Detlev Munster, Strategic Head of Property & Commercial

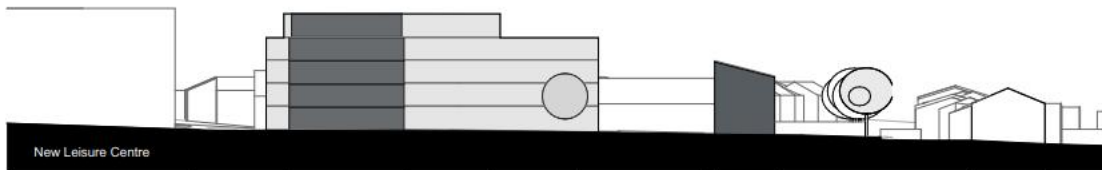
Appendix A: Appraisal Plans and Layouts



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Aerial View of Proposal





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Appendix C - Outline Risk Assessment

The table below summarises the projects risk register and outlines the key project risks considered relevant for this report.

TYPE	DESCRIPTION	MITIGATION
Finance	Capital receipts from the sale of the residential units are not achieved.	Residential units are appropriately designed and to be finished for the target market. Intention is to also commence marketing of units as soon as possible to achieve off-plan sales. This will allow us to gauge and track market interest. In unlikely event that sales are not achieved, Council will consider issuing AST (place on market for rent) through an appropriate vehicle and delay capital receipts.
Finance	Change in interest rates resulting in a higher cost of capital	Interest rates are at an all-time low and market swap rates suggest that favourable terms can still be locked in. Rates will continue to be monitored and always considered on the side of caution.
Finance	Correct VAT treatment for this complicated scheme may increase costs.	Expert VAT advice being sought to assess and minimise any financial impact.
Planning	Planning consent not obtained.	Pre-planning discussions will take place with the planning and highways authority and advice incorporated in the scheme. Initial feedback has been positive.
Developer	SDC acting as developer is exposed to more risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	Ensure adequate resourcing, programming, contingencies and robust project management in place. Team will ensure procurement of suitable, well qualified consultants and advisors to assist in delivery where needed.
Economic/Health	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of Covid-19 and latest government guidance. Contingency and inflation allowance provided.
Construction	Demolition of existing leisure centre delayed, preventing residential element from starting on site	Close monitoring of demolition works of existing leisure centre to ensure contractor appointment for residential phase will be coordinated effectively.
Construction	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	Works tendered on RIBA stage 4 information gives tenderers confidence the design is thorough and coordinated. Realistic client contingencies in place for unforeseen. Robust change control process in place. Contract includes administration by Employers Agent.

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Construction	Delays in scheme approval lead to increased costs due to construction inflation.	Robust information submitted to allow SDC Committees/Cabinet/Council to make timely decisions. Project Contract sum based on programme.
Construction	Problems during ground works (contamination/obstructions/soil type) exceed allowances based on RIBA stage 3 surveys, cause delay and extra costs.	Detailed ground investigation surveys will be undertaken prior to a contractor being appointed. Realistic contractor and client contingencies in place for unforeseens. Knowledge already available from Leisure Centre construction to feed into design/construction of residential.
Public opposition	Residents oppose the scheme and prove awkward during construction	Consultation already taken place for the leisure centre element of the scheme Appropriate arrangements will be put in place to ensure residents are informed about the construction programme to ensure minimal temporary disruption to residents.

Appendix D - SUSTAINABILITY CHECKLIST:

Name of Officer completing this form: Jessica Bolsin

Date checklist completed: 30th November 2021

Title of policy/strategy/project: White Oak Residential

What contribution/impact does this proposal make towards enhancing the Council’s commitment to sustainability?

- Tick: (✓) +ve - if the proposal makes a **positive** contribution
 -ve - if the proposal makes a **negative** impact
 ? - if there is **uncertainty** in predicting positive contribution or negative impact
 N/A - if the impact of the proposal is **outwith scope** of proposal

Categories	+ve			-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-			
A. Community Safety									
1) Help to reduce fear of crime		✓							Emerging design will ensure that fear of crime is reduced e.g. through designing well lit and overlooked public spaces
2) Help to reduce occurrence of crime		✓							Through examples above, design will help to reduce opportunities for crime
3) Help to reduce occurrence of anti-social behaviour		✓							As above - design will ensure reduced opportunities for ASB
4) Ensure developments maximise security and safety using safer by design procedures as appropriate		✓							Specific action to design out crime
5) Encourage individual/community responsibility				✓					Development will not directly encourage responsibility but it is expected that the design will help to improve general attitude towards crime and safety
B. Economy & Work									

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Categories	+ve			-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-			
6) Increase employment opportunities for local people			✓						Contractor will be given targets on local employment directly or through supply chain
7) Link local production with local consumption								✓	
8) Help local and community based businesses to set up and grow and promote rural diversity								✓	
9) Value and support unpaid work								✓	
C. Education & Awareness Raising									
10) Foster appreciation and care for the local environment			✓						New improved landscaped areas will encourage residents to care and appreciate their surroundings
11) Improve access to training, education and self-development opportunities for all			✓						Contractor will be given targets on local apprenticeships and training
12) Encourage the adoption of sustainable lifestyles and practices			✓						Residential units directly adjacent to new leisure centre
D. Equitable Access to Local Facilities & Services									
13) Address inequalities through allocating resources based on need								✓	
14) Improve access to local services and facilities for local people			✓						Residential units directly adjacent to new leisure centre
15) Protect local shops and services			✓						81 new residential units bringing additional residents to Swanley to support local services
16) Ensure access to usable open spaces and meeting places			✓						Design will ensure access to local open space is facilitated
17) Improve facilities, access and opportunities for people with disabilities, wheelchair users, people with pushchairs and elderly people			✓						Designs will provide accessible units in line with planning policy

Categories	+ve				-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-	-			
18) Improve opportunities, facilities and access for children & young people				✓						Residential units directly adjacent to new leisure centre
E. Health										
19) Reduce factors contributing to ill health (e.g. poverty, safety, diet, lifestyle, pollution)			✓							New quality housing contributing to health and wellbeing
20) Provide support for elderly people and young people and their families			✓							Development will provide a mix of new homes including family homes
21) Provide access to housing, appropriate to need	✓									81 new homes with a mix of sizes
22) Increase opportunities for residents to partake in regular physical activity		✓								Residential units directly adjacent to new leisure centre
23) Increase accessible leisure/ recreation opportunities for young people (i.e. in terms of cost/transport/supervision)			✓							Residential units directly adjacent to new leisure centre
F. Local Identity & Heritage										
24) Protect/enhance local heritage and features of cultural, visual and historic identity				✓						Whilst not directly contributing, redeveloping this site will help SDC meet its housing targets without encroaching on the green belt and AONB.
25) Contribute to local distinctiveness and promote design quality in new buildings	✓									New homes provided will help set a precedent in the area for high quality design
26) Increase enjoyment/participation in arts, local culture and heritage								✓		
G. Natural Environment										
27) Protect/enhance wildlife habitats (e.g. open spaces, trees, hedgerows, private gardens, some buildings, designated sites)			✓							New trees will be planted and improved landscaping to encourage and enhance biodiversity
28) Increase tree cover, especially broad-leaved woodland			✓							Planting of additional trees within design

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Categories	+ve			-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-			
29) Improve/maintain public access to open spaces, wildlife areas and the countryside								✓	
30) Protect/enhance landscape quality/heritage and retain open land/countryside			✓						The scheme will provide new landscaped areas
31) Protect/enhance the welfare of captive, domestic and wild animals			✓						Development will include landscaped areas to protect/enhance animal's welfare
H. Participation, Democracy & Partnership									
32) Involve people in action			✓						The development will involve a minimum of 1 consultation event to encourage residents to be involved in the design development
33) Involve appropriate partner organisations								✓	
34) Increase access to information by communicating in different ways				✓					SDC Communications team will be involved in consultation and general publicity to help communicate in different ways
35) Effectively involve local people in decision making, especially under-represented groups including young and elderly people				✓					The development will involve a minimum of 1 consultation events to encourage residents to be involved in the design development.
I. Pollution									
36) Contribute to minimising or preventing incidences of localised flooding	✓								SUDs features and landscaping will be incorporated into design to help reduce flood risk
37) Protect/enhance quality and availability of ground, surface and drinking water		✓							SUDs features and landscaping will be incorporated into design to help reduce sitting water and improve overall quality

Categories	+ve				-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-	-			
38) Prevent/reduce land contamination and dereliction	✓									Redeveloping previously developed land to reduce contamination on areas of undeveloped land
39) Prevent/reduce air, noise and light pollution			✓							To be considered in design
40) Ensure the appropriate use and disposal of hazardous materials	✓									All hazardous materials will be appropriately dealt with via contractor
41) Prevent an increase in waste production, fly-tipping, littering, dog fouling			✓							Design will avoid areas that might encourage fly-tipping. Overlooking will of public areas will help reduce littering and dog owners allowing dog fouling
J. Resource Use, Energy & Waste										
42) Minimise use of energy, water, minerals and materials (e.g. paper)					✓					Whilst construction requires use of energy and materials, all efforts will be made to ensure the construction and completed development is as sustainable as possible
43) Increase use of renewable energy sources (wind, water, wave, biomass, solar gain)			✓							Energy efficient measures will be incorporated into the development - e.g use of PVs where viable
44) Increase re-use and recycling of water, minerals, materials and waste				✓						Opportunities to use recycled materials will be explored as scheme progresses
45) Ensure the use of environmentally friendly/recycled materials				✓						Use of environmentally friendly/recycled materials will be considered where possible and contractor encouraged to do so via tender docs
46) Ensure the use of wood from sustainably managed sources			✓							Opportunities to incorporate into scheme will be identified as scheme progresses

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Categories	+ve				-ve			?	N/A	Action to minimise or eliminate negative impacts or enhance benefits
	+	+	+	0	-	-	-			
47) Use brown field sites or vacant buildings rather than greenfield land	✓									Brownfield site being redeveloped
48) Ensure buildings are designed for a long life-span/future change of use	✓									Development will be developed to high quality with long life spans a priority
K. Transport & Access										
49) Reduce the number and length of car and lorry journeys						✓				Lorry journeys will be increased during construction period
50) Promote the movement of people by walking and cycling to reduce car dependency	✓									Cycle parking will be provided at the new development to encourage people to take methods of sustainable transport
51) Improve conditions and facilities for pedestrians and cyclists	✓									Cycle parking will be provided at the new development. Pedestrian connectivity around the new development and into the adjacent area will be enhanced through emerging design
52) Increase use, availability & access to public transport particularly for disadvantaged groups			✓							Pedestrian connectivity around the new development and access to public transport will be enhanced through emerging design
53) Make use of new technologies/alternative fuels									✓	

12. What changes will be made to the proposal as a result of using the sustainability checklist?

12.1 Community Safety
12.2 Economy & Work
12.3 Education & Awareness Raising
12.4 Equitable Access to Local Facilities & Services

12.5 Health
12.6 Local Identity & Heritage
12.7 Natural Environment
12.8 Participation, Democracy & Partnership
12.9 Pollution
12.10 Resource Use, Energy & Waste
12.11 Transport & Access

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13. Sustainability Implications Statement

Please refer to guidance notes

The Council's Environmental Policy Statement is applicable to all decision making. Taking this into account, please say what significant beneficial/adverse sustainability implications are contained in this document.

E.g. A positive contribution to recycling because....

A negative impact on combating crime because....

The redevelopment of the White Oak Leisure Centre car park will provide a positive contribution to all areas covered as part of the Sustainability checklist. This is particularly through the provision of new homes, providing a mix of smaller homes and family homes. It will also contribute to the natural environment by providing areas of improved landscaping within the new scheme, replacing the hard-standing car park area. Negative impacts are minimal and are primarily to do with the construction period itself rather than the long term impact of the redevelopment. The scheme will be focusing on meeting SDC's net zero targets.

14. It is recognised that when making the above decisions about sustainability impact, compromises and choices have to be made. Please list below any changes which were considered, but not proposed for implementation, giving the reasons for your choice:

Changes Considered	Reasons for non implementation
1.	
2.	
3.	
4.	

Director's signature: _____

Date: _____

Please send completed Sustainability Checklist to:
Simon Davies, Partnership & Project Officer, Community Development Team.

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