

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 13 (21/22)

Chief Officer:	Adrian Rowbotham	Service:	Property Investment Strategy
Activity	Property Investment Strategy	No. of Staff:	n/a

Activity Budget Change	Year: 2021/22 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduced income	96	One-off

Reasons for and explanation of proposed change in service

The tenant of the ground floor of 96 High Street, Sevenoaks have gone into administration and have surrendered their lease.

There has been interest in the property from other businesses which will continue to be investigated. There is also the potential to bring forward the development of the site.

Due to not currently having a tenant for the ground floor of the building it would be prudent to assume that no (or a reduced income) will be received in 2021/22.

Key Stakeholders Affected

Property tenants

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

By aiming to have a balanced property portfolio spread over a range of sectors, the impact of the Covid-19 pandemic on income from the Property Investment Strategy has been relatively small.

The loss of income in 2020/21 is included in the current budget monitoring forecasts.

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Risk to Service Objectives (High / Medium / Low)

Medium

2020/21 Budget	£'000	Performance Indicators		
Operational Cost	209	Code & Description	Actual	Target
Income	(1,637)	n/a		
Net Cost	(1,428)			

Equality Impacts

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

SERVICE CHANGE IMPACT ASSESSMENT

SCIA 14 (21/22)

Chief Officer:	Jim Carrington-West	Service:	Revenues & Benefits
Activity	Revenues and Benefits	No. of Staff:	34.25 FTE (SDC share of total 68.50 FTE)

Activity Budget Change	Year: 2021/22 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Revenues and Benefits service delivery	60	Ongoing

Reasons for and explanation of proposed change in service

Currently the Revenues and Benefits services are reliant on reserves built up from Grants received to subsidise ongoing revenue costs of providing the core service. With ongoing uncertainty around future grants this is not a sustainable position and as such growth is requested from 2021/22 in order to allow for a more in-depth review in future years to reduce this reliance.

Key Stakeholders Affected

All customers of the Revenues and Benefits service

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

Without this growth item, continued reliance will be placed on reducing reserves and external grants in order to provide a stator service. If this is not addressed, service capacity is likely to reduce, adversely impacting on residents who are potentially in the greatest need.

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Risk to Service Objectives (High / Medium / Low)

Medium

2020/21 Budget	£'000	Performance Indicators		
Operational Cost	26,860	Code & Description	Actual	Target
Income	(26,650)			
Net Cost	210			

Equality Impacts

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

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SCIA 15 (21/22)

Chief Officer:	Adrian Rowbotham	Service:	Various
Activity	Office expenses	No. of Staff:	n/a

Activity Budget Change	Year: 2021/22 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in office expenses	(20)	ongoing

Reasons for and explanation of proposed change in service

A number of services have proposed small savings within their office expenses budgets.

Key Stakeholders Affected

Staff

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

None

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Risk to Service Objectives (High / Medium / Low)

Low

2020/21 Budget	£'000	Performance Indicators		
Operational Cost*		Code & Description	Actual	Target
Income		n/a		
Net Cost				

*The savings proposed are across a number of services, but they have been combined into one SCIA.

Equality Impacts

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SCIA 16 (21/22)

Chief Officer:	Adrian Rowbotham	Service:	Facilities Management
Activity	Asset Maintenance	No. of Staff:	-

Activity Budget Change	Year: 2021/22 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduction in Asset maintenance budget	(100)	Ongoing

Reasons for and explanation of proposed change in service

Due to the COVID-19 pandemic savings are required throughout the Council. The asset maintenance budget has been reviewed and a total reduction of £100,000 has been achieved via a reduction in the budget for Leisure of £50,000 and reducing the impact of SCIA16 19/20 which approved £100,000 growth.

Also see the separate Capital Programme and Asset Maintenance report to FIAC on 21/10/20.

Key Stakeholders Affected

All users of Council premises

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

The budget was increased in 2018/19 and 2019/20 to ensure there was sufficient budget to keep Council assets in good order. The reduction in budget may mean that some works cannot be done within existing budget or will take longer to complete as the programme is spread over a longer period.

The proposed asset maintenance budget in 2021/22 will fund 64% of the average yearly liability over the next 18 years.

The asset maintenance budget will continue to be reviewed each year.

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Risk to Service Objectives (High / Medium / Low)

Medium

2020/21 Budget	£'000	Performance Indicators		
Operational Cost	681	Code & Description	Actual	Target
Income	-	n/a		
Net Cost	681			

Equality Impacts

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SCIA 17 (21/22)

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

Activity Budget Change	Year: 2022/23 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Ongoing impact of 2019 staff restructure	(8)	Ongoing from 2022/23

Reasons for and explanation of proposed change in service

A full review of the Internal Audit shared service with Dartford BC was completed in 2019.

Two members of staff were placed in lower graded roles in the new structure and their previous salary levels were protected until 2022.

This proposed saving reflects the ongoing saving from 2022.

Key Stakeholders Affected

Internal Audit staff

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

This saving is reflected in the Internal Audit staffing restructure but has not yet been included in the 10-year budget process.

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Risk to Service Objectives (High / Medium / Low)

Low

2020/21 Budget	£'000	Performance Indicators		
Operational Cost	189	Code & Description	Actual	Target
Income	-	n/a		
Net Cost	189			

Equality Impacts

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SCIA 18 (21/22)

Chief Officer: Jim Carrington-West

Service: Revenues & Benefits

Activity: Council Tax

No. of Staff: 34.25 FTE (SDC share of total 68.50 FTE)

Activity Budget Change

Activity Budget Change	Year: 2021/22 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Council Tax: Increasing the empty homes premium to statutory limits	(4)	Ongoing

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

In 2012, the Government changed legislation to allow Billing Authorities to determine an additional premium on the council tax charge for all long-term empty properties by up to 50% from 1 April 2013.

A long-term empty property is classed as unoccupied and substantially unfurnished for two years or more.

At a meeting of the full Council on 19 February 2013, it was decided that all long-term empty properties would be charged an additional 50% premium (therefore 150% in total).

In November 2018, the Government adjusted the legislation to allow the premium on long-term empty properties, from 1 April 2019, to be increased to 100% for under 5 years, from 1 April 2020 up to 200% if it is empty for 5 years or more and from 1 April 2021 300% if it has been empty for 10 years or more.

At a meeting of the full Council on 26 February 2019, it was decided that all long-term empty properties would be charge an additional 100% premium (therefore 200% in total).

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The proposed change in service is to increase the premium for long term empty properties for 5 years or more to 200% and for 10 years or more to 300% both from 1 April 2021

As well as the increase in revenue, increasing the long-term empty charge will support the Council's Empty Homes Action Plan and encourage empty dwellings to be brought back into use more quickly.

Legislation

Section 12 of the Local Government Finance Act 2012 added section 11B to the Local Government Finance Act 1992 enabling Local Authorities to increase the charge on long-term empty dwellings (unoccupied and substantially unfurnished for at least 2 years) by up to 50%. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 increased the amount local authorities can charge on long-term empty dwellings up to 100% for dwellings empty under 5 years, 200% for dwellings empty from 5 - 9 years and from 1 April 2021 300% for dwellings empty for 10 years or more

Kent Authorities

Premiums charged by each Kent authorities are as follows:

Ashford	100%, 200%, 300% (from 1 April 2021)
Canterbury	100%, 200%, 300% (from 1 April 2021)
Dartford	100%
Dover	100%, 200%, 300% (from 1 April 2021)
Folkestone and Hythe	100%, 200%, 300% (from 1 April 2021)
Gravesham	100%, 200%, 300% (from 1 April 2021)
Maidstone	100%, 200%, 300% (from 1 April 2021)
Medway	100%, 200%, 300% (from 1 April 2021)
Swale	100%, 200%, 300% (from 1 April 2021)
Thanet	100%, 200%, 300% (from

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	1 April 2021
Tonbridge and Malling	100%, 200%, 300% (from 1 April 2021)
Tunbridge Wells	100%, 200%, 300% (from 1 April 2021)

Key Stakeholders Affected

Council Tax payers of long-term empty properties

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

There is no legal requirement to consult on the recommended changes but there is a legal requirement to publish any changes to the Council Tax premiums in at least one newspaper circulating in the Billing Authority's area. This must be done within 21 days of the resolution being agreed by the Council.

Making changes to the existing level of premium means that, as the Billing Authority, the Council may incur a small amount of costs associated with implementing and administering the changes.

There is a very small risk to the collection of debts resulting from any changes but our recovery process should allow us to collect the new amounts. The levels are based on the considered implications on collection whilst maximising the potential income opportunity for the Council.

The revised premiums may lead to some complaints and appeals.

This does not affect any properties going through probate as this is covered by an exemption.

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Risk to Service Objectives (High / Medium / Low)

Low

2020/21 Budget	£'000	Performance Indicators		
Operational Cost	n/a	Code & Description	Actual	Target
Income (SDC share)	(11,264)			
Net Cost	n/a			

Equality Impacts

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

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SCIA 19 (21/22)

Chief Officer:	Jim Carrington-West	Service:	Revenues & Benefits
Activity	Council Tax	No. of Staff:	34.25 FTE (SDC share of total 68.50 FTE)

Activity Budget Change	Year: 2021/22 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Council Tax: Council Tax: Removing the Empty and Unfurnished Property discount (currently one month)	(44)	Ongoing

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

In 2012, the Government changed legislation to allow Billing Authorities to determine the level of discount (if any) for unoccupied and substantially unfurnished dwellings for up to 6 months, from 1 April 2013.

At a meeting of the full Council on 19 February 2013 it was decided that all unoccupied and substantially unfurnished dwellings will have 100% discount for up to 3 months

At a meeting of the full Council on 26 February 2019 it was decided that all unoccupied and substantially unfurnished dwellings will have 100% discount for up to 1 month

Proposal

The proposed change in service is to remove the current 1 month discount, therefore meaning all unoccupied and substantially unfurnished dwellings will have to pay full council tax from 1 April 2021.

As well as the increase in revenue, removing the discount will support the Council's Empty Homes Action Plan and encourage empty dwellings to be brought back into use more quickly.

SERVICE CHANGE IMPACT ASSESSMENT**Legislation**

Section 11 of the Local Government Finance Act 1992 (inserted by section 75 of the Local Government Finance Act 2003 and amended by Local Government Finance Act 2012 which were enacted by the Council Tax (Prescribed Classes of Dwellings (England) (Amendment) Regulations 2012 and the Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012.)

Kent Authorities

Unoccupied and unfurnished discounts offered by each Kent authority is as follows:

Ashford	100% for 6 weeks
Canterbury	0%
Dartford	100% for 1 month
Dover	0%
Folkestone and Hythe	0%
Gravesham	100% for 1 month
Maidstone	0%
Medway	100% for 3 months
Swale	100% for 1 month
Thanet	0%
Tonbridge and Malling	0%
Tunbridge Wells	0%

The Councils who still offer a discount all have their own housing stock.

Key Stakeholders Affected

Council Tax payers of properties empty and unfurnished for longer than one month.

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

There is no legal requirement to consult on the recommended changes but there is a legal requirement to publish any changes to the Council Tax discounts in at least one newspaper circulating in the Billing Authority's area. This must be done within 21 days of the resolution being agreed by the Council.

Removal of the current discount for unoccupied and substantially unfurnished dwellings will lead to less administration required. Currently there are many disputes between tenants and property owners regarding when a property became unoccupied so a

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discount can be claimed. Often the Council have to write off balances as they are unable to establish when a property became empty. Without a discount, this part is not required to establish liability, therefore reducing customer contact and administration.

There is a very small risk to the collection of debts resulting from any changes but our recovery process should allow us to collect the new amounts. The levels are based on the considered implications on collection whilst maximising the potential income opportunity for the Council.

Currently if a property is unoccupied and furnished it is classed as a 2nd home, with no discount offered. The removal of the discount for unoccupied and unfurnished properties will bring this in line with the second homes and not distinguish between a property if it has furniture or not.

The removal of the discount may lead to some complaints and appeals.

This does not affect any properties going through probate as this is covered by an exemption.

Risk to Service Objectives (High / Medium / Low)

Low

2020/21 Budget	£'000	Performance Indicators		
Operational Cost	n/a	Code & Description	Actual	Target
Income (SDC share)	(11,264)			
Net Cost	n/a			

Equality Impacts

The decisions recommended through this paper have a remote or low

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relevance to the substance of the Equality Act. There is no perceived impact on end users.