

21 October 2020 at 7.00 pm

This meeting will be held virtually via Zoom,
and livestreamed here:

https://www.youtube.com/channel/UCIT1f_F5OfvTzxjZk6Zqn6g

Despatched: 13.10.20



Finance & Investment Advisory Committee

Membership:

Chairman, Cllr. Grint; Vice-Chairman, Cllr. Dickins

Cllrs. Abraham, Bayley, Carroll, Clack, Clayton, Penny Cole, Harrison, Hogarth and Reay and a vacancy

Agenda

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the minutes of the meeting of the Committee held on 8 September 2020, as a correct record.	(Pages 1 - 6)	
2. Declarations of Interest Any interests not already registered.		
3. Actions from Previous Meeting (if any)		
4. Update from Portfolio Holder		
5. Referral from Cabinet or the Audit Committee (if any)		
6. Financial Performance Indicators 2020/21- to the end of August 2020	(Pages 7 - 14)	Alan Mitchell Tel: 01732227483
7. Financial Results 2020/21- to the end of August 2020	(Pages 15 - 44)	Alan Mitchell Tel: 01732227483
8. Budget 2021/22: Review of Service Dashboards and Service Change Impact Assessments (SCIAS)	(Pages 45 - 84)	Adrian Rowbotham Tel: 01732 227153
9. Capital Programme & Asset Maintenance 2021/24	(Pages 85 - 98)	Alan Mitchell Tel: 01732227483
10. Risk and Assumptions for Budget 2021/22	(Pages 99 - 112)	Alan Mitchell Tel: 01732227483

11. **Work Plan**

(Pages 113 - 114)

EXEMPT INFORMATION

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

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

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

FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 8 September 2020 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Dickins (Vice Chairman)

Cllrs. Abraham, Bayley, Clack, Clayton, Penny Cole, Harrison and Hogarth

An apology for absence was received from Cllr. Reay

Cllrs. Dr. Canet and Perry Cole were also present.

57. Minutes

With reference to Action 2, the Portfolio Holder advised that the Housing & Health Portfolio Holder was reviewing 'Sevenoaks Switch and Save'.

Resolved: That the Minutes of the meeting of the Finance & Investment Advisory Committee held on 8 July 2020 be approved and signed by the Chairman as a correct record.

58. Declarations of Interest

No additional declarations of interest were made.

59. Actions from Previous Meeting

See Minute 57 above. The actions were noted.

60. Update from Portfolio Holder

The Finance and Investments Portfolio Holder advised he had a message of positivity regarding COVID-19 in that lost income and expenditure would be partly offset. The government's compensation scheme forms had been received the previous week and officers were working on them. Costs were significant and the agenda papers before Members made that clear. He also advised that looking forward into COVID-19 recovery, rather than response, would continue to cost the Council and that saving and income opportunity proposals would be coming forward from Officers and Portfolio Holders to the advisory committees. The Council had gone into the crisis in an almost unique position and were not having to do an emergency budget as the 10- year budget helped the Council respond in a structured way.

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Finance & Investment Advisory Committee - 8 September 2020

He reported that Sir Tony Redmond had completed his review of effectiveness of local authority audit and it looked as though he would be suggesting a return to a centralised department.

He also advised that the Audit Strategic Risk Register was currently under review, and that he had requested that political risks be incorporated. He also felt that proactive strategic thinking was required to maintain a live risk register.

Finally, he reported that the three government business grant schemes had now closed, and the Council had enjoyed the 9th strongest performance in the country. He extended his thanks to all across the organisation for this achievement.

61. Referral from Cabinet or the Audit Committee

There were none.

62. Treasury Management Annual Report 2019/20

The Principal Accountant presented the report which provided the customary review of investment and borrowing activity during 2019/20 as required by the Council's Financial Procedure Rules. The report outlined the strategy adopted during the year, showed the position of the investment and debt portfolios at the beginning and the end of the year and gave details of how the investment fund had performed in comparison with previous years and against various benchmarks.

The overall return on the Council's investments had been above budget in 2019/20 by approximately £54,300 and the percentage return exceeded the recognised benchmarks. Whilst returns exceeded budget, inflation continued to outpace investment returns, leading to the gradual erosion of capital in real terms. The economic situation both globally and within the Eurozone remained volatile, and would have consequences for the UK economy. Treasury management in the past financial year had been conducted against this background and with a cautious investment approach.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the Treasury Management Annual Report for 2019/20, be approved.

63. Financial Results 2020/21- to the end of July 2020

The Head of Finance presented a report on the Council's 2020/21 financial results to the end of July 2020, which showed the year-end position was currently forecast to be an unfavourable variance of £3.3m which was largely due to COVID-19; and represented 21.2% of the Council's net service expenditure budget totalling £15,581,000. This position did not include any recovery of lost income as part of the Government's income compensation scheme.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the report be noted.

64. Financial Performance Indicators 2020/21- to the end of July 2020

Members noted the supplementary agenda which contained the new format for performance indicators in line with the Scrutiny Committee, detailing the internally set performance figures as at the end of July 2020. The Head of Finance drew Members' attention to particular areas including sundry debtors and treasury management.

Public Sector Equality Duty

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

Resolved: That the report be noted.

65. Financial Prospects and Budget Strategy 2021/22

The Deputy Chief Executive and Chief Officer Finance & Trading presented the report which was the first report of the Council's budget setting process for 2021/22 onwards. It set out the financial pressures the Council was likely to face in the coming years and suggested an appropriate strategy, utilising the 10-year budget framework which had proved successful to date and put the Council in a much stronger financial position than most other Councils.

Cabinet were being requested at their next meeting to shorten the budget process this year so that the Council's budget was set in November 2020 instead of February 2021, which would enable any changes to be implemented with effect from 1 April 2021 and the period of uncertainty for staff minimised.

The annual budget gap included in the report was £826,000 which was largely due to Covid-19 (£8.3m over the ten-year period). Growth and savings proposals were to be presented to the Advisory Committees and Cabinet, and their recommendations would be considered as part of the process to remove the gap.

The report was intended to start the debate and the assumptions would be updated if more accurate information became available. The main message was that the intention remained that the Council was aiming to continue to be financially self-sufficient and have a balanced 10-year budget but the process would be more challenging this year due to the financial impact of the Covid-19 pandemic.

Members discussed the report and took the opportunity to ask questions of clarity. It was noted that the risks and assumptions report would come to the next committee meeting should Cabinet approve the accelerated budget process at their meeting on 17 September 2020.

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Finance & Investment Advisory Committee - 8 September 2020

It was noted that there had been a communications campaign on Council Tax recovery advising the public to get in touch and that there would shortly be another as it was felt that this had assisted in the higher than anticipated collection rate despite the current situation caused by the pandemic.

Public Sector Equality Duty

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

Resolved: That Cabinet be advised that the Finance & Investment Advisory Committee

- a) supported the continuation of the ten-year financial planning approach;
- b) supported the accelerated budget process in preparation of the financial year;
- c) recognised the significant risk and uncertainties associated with many aspects of the budget and that Cabinet should be cogniscent of that; and
- d) recognised one of those uncertainties was over the Council Tax collection rate which the Committee would continue to monitor over the coming months.

66. Bartholomew Way Park, Swanley

The Deputy Chief Executive and Chief Officer Finance & Trading presented the report which sought Members' views on a proposal from Swanley Town Council to transfer the Bartholomew Way Park to Swanley Town Council at nil cost with the view to Swanley Town Council developing the site for a new Swanley Health Hub.

Members discussed the recommendation which was that the proposal be rejected as if the park was transferred a green space in the district would be lost and there were a number of other development sites in Swanley that might be suitable for a health hub.

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 proposal by Swanley Town Council to transfer Bartholomew Way Park from Sevenoaks District Council to Swanley Town Council, be rejected.

67. Burlington Mews Update

The Deputy Chief Executive & Chief Officer Finance & Trading presented the report which provided an update on the development of the houses in Burlington Mews.

Due to the impact of the Covid-19 pandemic on the housing market, the Council had taken the opportunity to revise its approach to selling the houses to protect its investment in the properties. In contrast to the sales market, the lettings market had strengthened partly due to lockdown encouraging more home buyers to test living outside city centres in larger properties. The original intention had been to put all the houses up for sale, however the new approach was to proceed with a mix of sales and lettings to increase the options available as the situation evolves. The more flexible approach of letting some of the houses meant the houses could be sold if/when house prices increased.

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 revised approach for the disposal of the houses in Burlington Mews contained in the report, be supported.

68. Work Plan

It was noted that if the accelerate budget process was agreed at Cabinet in September, then a number of reports would move forward on the work plan.

THE MEETING WAS CONCLUDED AT 8.00 PM

CHAIRMAN

FINANCIAL PERFORMANCE INDICATORS 2020/21 - TO THE END OF AUGUST 2020

Committee - Finance & Investment Advisory Committee - 21 October 2020

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

Status: For Consideration

Key Decision: No

Executive Summary: This report sets out the internally agreed Financial Performance Indicators

This reports support the Key Aim of: effective management of the Council's resources.

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Alan Mitchell, Ext.7483

Adrian Rowbotham Ext. 7153

Recommendation to Finance & Investment Committee:

That the report be noted

Reason for recommendation:

This recommendation supports the sound control of the Councils finances

Introduction and Background

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

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues.

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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 - Performance Indicators


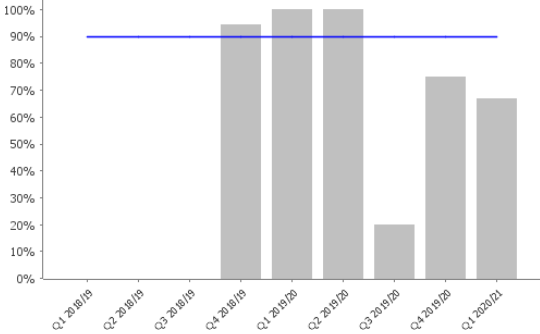

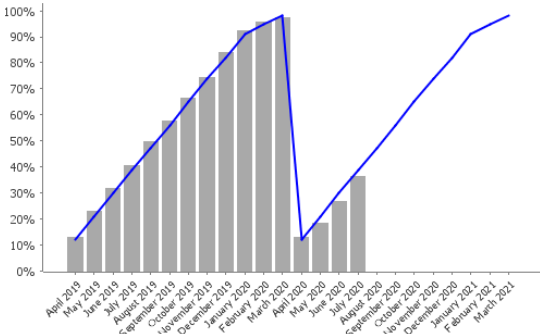

Background Papers

None

Adrian Rowbotham, Deputy Chief executive and Chief Officer - Finance and Trading

Finance & Investment Advisory Committee - Performance report


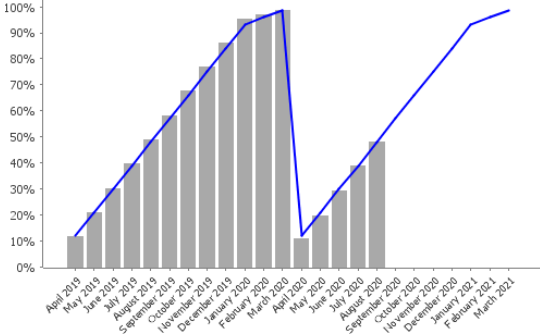


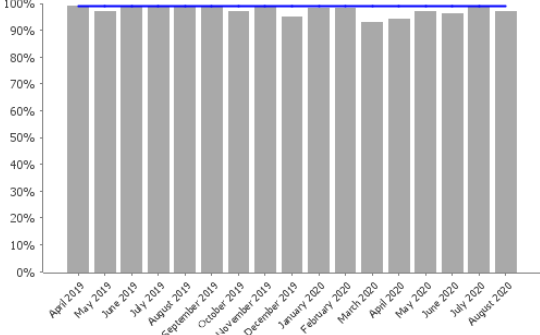

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Code	Description	Current Value / Actuals	Current Target/ Budget	Current Status	Performance Chart	Cumulative (Year to Date) Performance			Commentary
						2020/21			
						Value/ Actuals	Target/ Budget	Status	
LPI_IA1a	Sevenoaks: Audit actions fully implemented within agreed timescales	66.67%	90%			66.67%	90%		Due to COVID-19 and staff turnover
LPI_BR 04	The percentage of business rates collected in-year (Cumulative)	36.3%	39%			36.3%	39%		


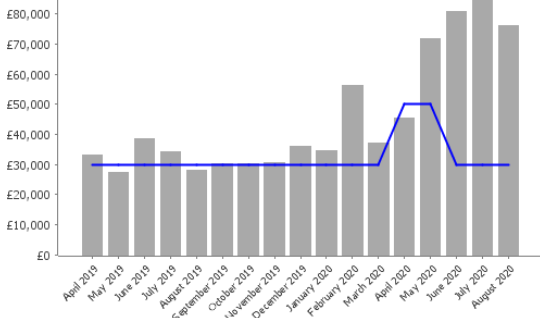


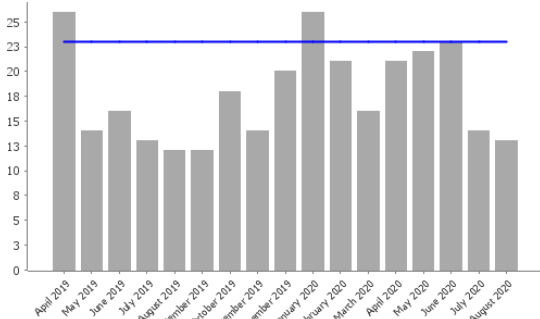

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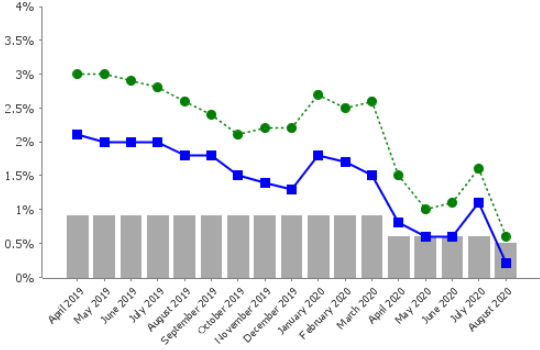


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Code	Description	Current Value / Actuals	Current Target/ Budget	Current Status	Performance Chart	Cumulative (Year to Date) Performance			Commentary
						2020/21			
						Value/ Actuals	Target/ Budget	Status	
LPI_CT 04	The percentage of council tax collected in-year (cumulative)	47.9%	48%			47.9%	48%		
LPI_FS 001	The percentage of undisputed invoices paid within 30 days or agreed terms	97%	99%			96.6%	99%		

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Code	Description	Current Value / Actuals	Current Target/ Budget	Current Status	Performance Chart	Cumulative (Year to Date) Performance			Commentary
						2020/21			
						Value/ Actuals	Target/ Budget	Status	
LPI_FS 003	Debts outstanding more than 61 days	£76,220	£30,000			£76,220	£30,000		Debts not pursued due to COIVD-19
Page 14 11_HB 02	Average number of days to process a new claim for Housing Benefit (Monthly)	13	23			13	23		

Code	Description	Current Value / Actuals	Current Target/ Budget	Current Status	Performance Chart	Cumulative (Year to Date) Performance			Commentary
						2020/21			
						Value/ Actuals	Target/ Budget	Status	
LPI_HB 04	Average number of days to process a change in circumstances for Housing Benefit (monthly)	6	9	✔		6	9	✔	
TM FS 01	Treasury Management - Actual vs Budget + Forecast	£47,721	£119,541	⊘		£47,721	£119,541	⊘	Due to COVID-19 the interest rates available have dropped significantly

Code	Description	Current Value / Actuals	Current Target/ Budget	Current Status	Performance Chart	Cumulative (Year to Date) Performance			Commentary
						2020/21			
						Value/ Actuals	Target/ Budget	Status	
TM FS 02	Treasury Management - Investment returns vs RPI vs CPI	0.5%	0.2%		 	0.5%	0.2%		

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FINANCIAL RESULTS 2020/21 - TO THE END OF AUGUST 2020

Finance & Investment Advisory Committee - 21 October 2020

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

Status: For Consideration

Also considered by: Cabinet - 5 November 2020

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 and 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 August was forecast to be an unfavourable variance of £3.0m which is largely due to COVID-19; this represents 19.4% of our net service expenditure totalling £15.581m.
- 2 During September the Government issued the first 'COVID-19 Sales, Fees and Charges Compensation Scheme' form which has recently been completed. This form contains details of income losses during April to August 2020. This council has requested compensation of £1.2m for this initial period and is forecasting compensation of £2.3m for the whole of 2020/21. If these claims are successful, the unfavourable variance would reduce to £1.8m.
- 3 The financial cost of the COVID-19 pandemic started at the very end of March 2020 and therefore the financial cost was limited in 2019/20 and has already been reported. However, as the current forecast position shows, a far greater

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impact will be incurred within the 2020/21 financial year. This and the future financial impact will be addressed through the 10-year budget process.

Year to Date - Areas of Note

- 4 The financial impact of Pay costs - the expenditure to date on staff costs is £119,000 below budget. There are currently vacancies within Corporate Services and Planning. The impact of salary variances are included within the Chief Officer commentaries.
- 5 The 2020/21 pay award has now been approved at 2.75%, which is 0.75% higher than budgeted. This will cost an additional £130,000.
- 6 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 August, income as detailed within the report is significantly below budget. Some of this will be mitigated by the COVID-19 Sales, Fees and Charges Compensation scheme.
- 7 Investment Returns - the return to date on the treasury management investments held by the Council is lower than budget with interest received to date totalling £48,000 compared to a budget of £120,000. Why?
- 8 Council Tax - collection levels are expected to be below budgeted levels due to the impacts of COVID-19. Due to the way in which the Collection Fund is accounted for, this will not impact the Council until 2021/22.
- 9 Retained Business Rates - Income expectation of £2.139m forms part of the 2020/21 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. Regular monitoring takes place, with any amendments feeding into the outturn forecasts.

Year End Forecast

- 10 The year-end forecast position is an unfavourable variance of £3.0m (excluding the Covid-19 Sales, Fees and Charges Compensation Scheme) . In paragraphs 11 to 20 there are details of the larger variances, both favourable and unfavourable.

Net Service Expenditure - Favourable Variances

- 11 Within Miscellaneous Finance the forecasted favourable variance £869,000 is due to the balance of the £1.2m Government COVID-19 grant which is offsetting additional costs incurred in other areas.

Net Service Expenditure - Unfavourable Variances

- 12 Homelessness prevention is forecasting an adverse variance of £240,000 which is the additional cost being incurred relating to an increased number of people

being put in temporary accommodation. The homelessness funding is currently being reviewed in order to fund the programme in future years.

- 13 Land charges fees were revised for 2019/20 but the number of searches has remained down compared to previous years. Due to COVID-19 the level of searches has dropped even lower leading to a £70,000 unfavourable forecast.
- 14 Local Tax is forecasting an unfavourable variance of £369,000 due to COVID-19 of which £279,000 is loss of court cost recovery. This is forecast at 100% for the first 6 months of the year as Government had advised that debts should not be chased during this period, and at 50% for the remainder of the year. There is also underachievement of enforcement income estimated to be £90,000.
- 15 Car parking fees were suspended on the 23 March due to COVID-19 but have now been reintroduced. This has led to a significant loss of income with Car Parks forecasting an adverse variance of £1.843m income. Similarly, with On-Street Car Parking which is also forecasting an unfavourable variance of £645,000. The loss of Car Parking income is the largest amount included in the COVID-19 Sales, Fees and Charges Compensation claim.
- 16 Direct Services are forecasting an unfavourable variance of £104,000 due to loss of income in areas such as bulky waste, MOT's and pest control and also increased costs due to COVID-19.
- 17 Due to COVID-19 the Print Shop was unable to conduct business as normal for both internal and external customers. An unfavourable variance of £73,000 is forecast.
- 18 Within Planning and Regulatory Services there are a large number of adverse variances which are losses of income due to COVID-19 with the overall variance being £336,000. Within the services there are some savings due to staff vacancies but these will be utilised to offset other staff budget overspends including career training.

Other Variances

- 19 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 £150,000 being forecast.
- 20 Investment Property Income - The majority of properties held within the Property Investment Strategy continue to achieve the income levels predicted. Due to a tenant going into administration as a result of COVID-19 a single property has not produced income in line with budget and this loss of income is reflected in the unfavourable variance of £96,000.

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Future Issues and Risk Areas

- 21 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:
- COVID-19 continues to effect the entire authority and is being closely monitored. As part of the 10-year budget process the expected financial cost will be identified and solutions presented.
 - 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.
 - Additional staffing costs for Direct Services are possible if a number of staff self-isolate as the intention is to continue at normal service levels wherever possible.
 - The likely effect of the Government's Income Compensation scheme is included elsewhere in this report.
 - Potential unknown liabilities associated with Business Rates relating to distressed leases. A systemic risk associated with the pandemic may result in further loss of income.
 - Feasibility costs for property investments and development of council owned assets.
 - There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
 - The Local Plan legal challenge is ongoing
 - The financial impact of proposed changes to the Planning System will need to be carefully considered.
- 22 The potential impact of Brexit is being monitored and addressed as part of the Council's risk management process.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement

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

Detailed budget monitoring is completed on a monthly basis where all variances are explained. Future risk items are also identified.

Equality Assessment

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

Appendices

Appendix A - August 2020 Budget Monitoring Commentary

Appendix B - August 2020 Financial Information

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

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	Annual Budget £'000	Actual to P5 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19	Annual Forecast Variance due to other factors	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
People & Places							
Leisure Contract	35	65	30			0 *	Sencio annual Management Fee paid upfront for full year (approved by Cabinet), rather than the quarterly payments, to enable business resilience during leisure centre closures.
Leisure Development	10	27	16			0 *	Key pieces of work have been commissioned from external consultants regarding Sencio - liabilities to the Council, future options, VAT and pension concerns. This is one off work for this financial year.
Tourism	19	-42	-62			0 *	Grant funding received in advance. We anticipate spend to accelerate within Q2 with no variance to the full year effect.
Partnership - Home Office	-20	-6	14			0 *	Police and Crime Commissioner funding - grants paid upfront and early to support essential partnership projects and resilience (e.g. DA and substance misuse).
West Kent Enterprise Advisor Network	14	31	17			0 *	West Kent Partnership funding received in advance

Future Issues/Risk Areas

Ongoing impact of COVID-19 on the leisure industry and Council owned leisure facilities.

	Annual Budget £'000	Actual to P5 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19	Annual Forecast Variance due to other factors	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (starred items)
Finance & Investment							
Asset Maintenance Support & Salaries	79	16	-63			0 *	Behind profile due to COVID-19 and restrictions on contractors being onsite. Some external works carried out and likely to catch up during the year.
Asset Maintenance Leisure	77	43	-35			0 *	Leisure centres closed due to COVID-19 and re-opened in August. Maintenance requests are likely.
Asset Maintenance Argyle Road	32	6	-27			0 *	Behind profile due to COVID-19 and restrictions on contractors being onsite. Some external works carried out and likely to catch up during the year.
Dartford Audit Partnership Hub (SDC Costs)	92	64	-28			0 *	Underspend due to the vacant Lead Auditor Post now filled.
Dartford Rev&Ben Partnership Hub (SDC costs)	774	741	-34	16		16 *	Overtime costs for 6 months, represent SDC share of total £31,000. Current underspend is under review through the partnership.
Misc. Finance	660	-467	-1,127	-869		-869 *	COVID-19 Grant offset by additional COVID-19 related expenditure. The remainder will offset forecast loss of income due to COVID-19 on other lines.
Local Tax	-137	62	199	289	88	377 *	Due to COVID £279,000 loss of court costs recovery at 100% for the first 6 months, and at 50% for the second 6 months; total underachievement of income on Enforcement is estimated to be £90,000, which is £10,000 higher than last year due to COVID.
Estates Management - Buildings	35	66	31		50	50 *	Swanley Meeting Point rates bill not budgeted as commencement of development of the site has taken longer than anticipated.
Support - Legal Function	106	83	-23		-23	-23 *	Carrying a vacant admin post and underspend on specialist advice.
Support - Finance Function	98	87	-11			0 *	Underspend due the Assistant Accountant vacancy. Vacancy pot contribution of £9k to be taken following approval of request to recruit.

Future Issues/Risk Areas

Covid-19 related risks are currently the greatest concern. 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. The likely effect of the Government's Income Compensation scheme is currently being calculated.

	Annual Budget £'000	Actual to P5 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19	Annual Forecast Variance due to other factors	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
Housing & Health							
Homeless	84	167	83			0 *	Standard temporary accommodation spend remains high. However, this overspend will be covered through a draw down through funded reserves.
Homelessness Funding	46	62	16			0 *	External funding (FHSG - staff related spend)
Homelessness Prevention	0	112	112	240		240 *	Government's Everyone In initiative has created unplanned expenditure, which is estimated at £240k net (minus HB) for the year. This is being reviewed on an ongoing basis however it is difficult to accurately predict final spend. This overspend will need to be offset and funded from either Govt's COVID grant or central reserves.
Housing Energy Retraining Options (HERO)	50	8	-42			0 *	External funding received in advance from KCC for COVID19 emergency work
One You - Your Home Project	0	-24	-24			0 *	External funding received in advance from Age UK towards project costs. End of year will be as per budget.
PCT Health Checks	-2	-15	-13			0 *	External funding received in advance from Kent Public Health.
PCT Initiatives	10	-32	-42			0 *	External funding received in advance towards various One You Projects (e.g. West Kent One Systems for Health). End of year will be as per budget.

Future Issues/Risk Areas

Ongoing Temporary Accommodation costs within the district, excluding COVID-19 related cost.

	Annual Budget £'000	Actual to P5 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19	Annual Forecast Variance due to other factors	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
Improvement & Innovation							
Economic Development	24	2	-22			0	* Spend currently behind profile, but expected to spend to budget. No year end variance projected.
Corporate Management	388	357	-31		-48	-48	* It is currently forecast that there will be an underspend within the Corporate Management budgets for this year, which includes less expenditure on bought-in external services and some minor proportions on salaries which are attributed the corporate management of the organisation.
Asset Maintenance IT	120	66	-54			0	* Spend as per 10-year asset maintenance plan - Any surplus to IT Asset Maintenance reserve at year end agreed.
Land Charges	-44	-7	37	50	20	70	* COVID-19 impacts and downturn in housing market - to be monitored as year progresses.
Elections	43	28	-15			0	* Recharges to other Local Authorities raised as part of elections in 2019, to be offset by reversal of relevant expenditure accruals.
Register of Electors	109	72	-37		-22	-22	* EOY Forecast underspend due to vacant post and maternity leave. Current underspend also as a result of invoices awaited for Canvass costs.
Corporate - Other	-35	0	35		40	40	* The savings made on vacant posts are currently lower than the budget profiled for the year to date. Under the current circumstances it is anticipated that staff turnover will reduce this year and that the vacant posts savings will not be achieved.
External Communications	99	84	-15	2	-9	-7	* The current variance relates to the costs of the next edition of the Council's In Shape magazine, which is currently being produced for distribution during the week of 5 October.
Members	193	173	-20		-5	-5	* Underspend projected due to reduced member travel claims. Impact of changes to members allowances to be reviewed in future periods.
Support - Contact Centre	236	226	-10		-10	-10	* Underspend due to staff turnover, end of year position being monitored.
Support - General Admin (Print Shop)	6	23	18	73		73	* Reduced income on both internal and external Print Charges due to the impact of Covid-19. It is expected that some of the loss will be offset by savings on internal printing budgets within the service areas and a reduction in the costs of consumables.
Administrative Expenses - Legal and Democratic	50	29	-21	-10		-10	* EOY forecast underspend due to reduction in internal printing which will be offset by reduction in income for the Print Studio. Current underspend position also includes invoices awaited.

Future Issues/Risk Areas

Potential unknown liability associated with Business Rates relating to distressed leases. Systemic risk associated with pandemic may result in further loss of income.

	Annual Budget £'000	Actual to P5 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19	Annual Forecast Variance due to other factors	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
Cleaner & Greener							
Car Parks	-723	302	1,025	1,843		1,843 *	Suspension of parking charges due to COVID-19 has had a significant impact on income during the first quarter of the year. Although charges have been reintroduced usage is lower than usual due to COVID-19 and is only projected to reach 70% capacity by March. Forecasts have been adjusted to take account of receipts to the end of August resulting in an improvement of £66k.
Refuse Collection	1,192	1,211	19	25		25 *	Recycling: Glass income is lower than budget and not expected to fully recover during the year.
Car Parking - On Street	-221	147	367	645		645 *	Suspension of parking charges and reduced income on PCN's due to COVID-19. Forecasts have been adjusted to take account of receipts to the end of August resulting in an improvement of £15k.
Dartford Environmental Hub (SDC Costs)	293	269	-24			0 *	Staff budget savings will be utilised to offset the DBC support charge
Parking Enforcement - Tandridge DC	-7	-59	-51		-22	-22 *	Additional income relating to the new contract with Tandridge District Council forecast, partially offset by the additional cost of transferred staff and running the service.
Markets	-73	-61	12			0 *	Rental income delayed due to COVID-19. Rescheduled payments are expected to bring this into line by the end of the year.
Parks - Rural	67	52	-14			0 *	Income ahead of profile. Expected to be on budget at year end.
Support - Central Offices	356	317	-39			0 *	Behind profile due to COVID-19 and restrictions on contractors being onsite.
Support - General Admin (Post/Scanning)	79	53	-26	-10	-5	-15 *	Reduced postage costs including summons and reminders not being sent out.
Future Issues/Risk Areas							

	Annual Budget £'000	Actual to P5 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19	Annual Forecast Variance due to other factors	Total Annual Forecast Variance	Explanation for year end variances greater than £10k <i>(starred items)</i>
Development & Conservation							
Planning Performance Agreement	0	20	20		25	25 *	Urban Designer post costs, which will be offset by an underspend on salaries in other areas and drawdown from allocated reserves (PPAs fees)
Planning - Development Management	90	130	40	169	-4	165 *	Loss of income due to COVID; savings on the staff costs
Planning - Enforcement	123	135	12		17	17 *	Staff costs over budget due to additional resource invested, offset by staff savings in other areas
Planning Policy	183	160	-23		-70	-70 *	Staff budget savings utilised to cover staff budget overspends in other areas and career training

Future Issues/Risk Areas

There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
 The Local Plan legal challenge is ongoing
 Recruiting to vacant posts continues to be difficult.
 The financial impact of proposed changes to the Planning System will need to be carefully considered.

*Position as at the end of August 2020
(Period 202105)*

People and Places
Housing and Health
Finance and Investments
Improvement and Innovation
Cleaner and Greener
Development and Conservation

Adjustments to Reconcile to amount to be met from reserves

Capital Charges outside the General Fund
Support Services outside the General Fund

NET SERVICE EXPENDITURE

New Homes Bonus
Retained Business Rates
Council Tax
Contribution from Collection Fund
Summary excluding Investment Income

Investment Property Income
Interest Receipts

OVERALL TOTAL

Planned Appropriation to/(from) Reserves
Other Reserve Movements

Supplementary Estimates

(Surplus)/Deficit

Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Annual Variance £'000	Annual Variance %
344	671	671	0	0.0
544	829	1,069	240	28.9
1,747	3,455	2,991	(464)	(13.4)
2,230	5,406	5,488	82	1.5
3,235	4,172	6,838	2,666	63.9
706	1,279	1,528	250	19.5
8,807	15,813	18,586	2,774	17.5
(25)	(60)	(60)	0	0.0
(72)	(172)	(172)	0	0.0
8,710	15,581	18,354	2,774	17.8
(520)	(1,249)	(1,249)	0	0.0
(891)	(2,139)	(2,139)	0	0.0
(4,693)	(11,264)	(11,264)	0	(0.0)
0	0	0	0	-
2,606	929	3,702	2,774	298.7
(586)	(1,428)	(1,332)	96	0.0
(48)	(300)	(150)	150	0.0
1,972	(799)	2,220	3,020	(377.8)
(188)	(449)	(449)	0	
0	1,249	1,249	0	
0	0	0	0	
1,784	0	3,020	3,020	

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Position as at the end of August 2020 (Period 202105)

People & Places SDC Funded

Administrative Expenses - Communities & Business	11	8	3	22	22	-
All Weather Pitch	(2)	(2)	(0)	(5)	(5)	-
Community Development Service Provisions	(6)	(6)	-	(6)	(6)	-
Community Safety	91	87	4	209	209	-
Grants to Organisations	166	165	1	180	180	-
Leader Programme	2	2	0	5	5	-
Leisure Contract	65	35	30	108	108	-
Leisure Development	27	10	16	20	20	-
The Community Plan	23	25	(2)	60	60	-
Tourism	(42)	19	(62)	27	27	-
Youth	11	21	(10)	51	51	-
West Kent Partnership	(27)	(18)	(10)	-	-	-
Total People & Places (SDC Funded)	318	346	(28)	671	671	-

Position as at the end of August 2020 (Period 202105)

People & Places Externally Funded

Community Sports Activation Fund	16	8	8	-	-	-
Dunton Green Projects - S106	(1)	-	(1)	-	-	-
Partnership - Home Office	(6)	(20)	14	-	-	-
Sport Satellite Clubs	(1)	-	(1)	-	-	-
Sportivate Inclusive Archery Project	(0)	-	(0)	-	-	-
Troubled Families Project	(2)	-	(2)	-	-	-
West Kent Enterprise Advisor Network	31	14	17	-	-	-
West Kent Kick Start	(8)	-	(8)	-	-	-
West Kent Partnership Business Support	(5)	-	(5)	-	-	-
Total People & Places (Ext Funded)	26	2	24	-	-	-

Total People & Places

Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Forecast
Actual	Budget	Variance as at y-t-d	Budget	Forecast (including Accruals)	Annual Variance
£'000	£'000	£'000	£'000	£'000	£'000
318	346	(28)	671	671	-
Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Forecast
Actual	Budget	Variance as at y-t-d	Budget	Forecast (including Accruals)	Annual Variance
£'000	£'000	£'000	£'000	£'000	£'000
26	2	24	-	-	-
344	348	(4)	671	671	-

**Position as at the end of August 2020
(Period 202105)**

Housing and Health

Administrative Expenses - Housing	0	-	0	-	-	-
Health Improvements	18	22	(4)	52	52	-
Housing Initiatives	16	21	(4)	49	49	-
Homeless	167	84	83	233	233	-
Homelessness Funding	62	46	16	-	-	-
Housing	85	82	3	153	153	-
Housing Register	37	35		51	51	-
Homelessness Prevention	112	-	112	-	240	240
Housing Energy Retraining Options (HERO)	8	50	(42)	48	48	-
Energy Efficiency	-	(0)	0	-	-	-
Gypsy Sites	1	(1)	2	(1)	(1)	-
Disabled Facilities Grant Administration	0	8	(8)	(50)	(50)	-
Private Sector Housing	114	122	(8)	294	294	-
Sevenoaks Switch and Save	4	-	4	-	-	-
Total Housing & Health (SDC Funded)	624	470	153	829	1,069	240

Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Forecast	
Actual	Budget	Variance as at y-t-d	Budget	Forecast (including Accruals)	Annual Variance	
£'000	£'000	£'000	£'000	£'000	£'000	
Administrative Expenses - Housing	0	-	0	-	-	
Health Improvements	18	22	(4)	52	52	
Housing Initiatives	16	21	(4)	49	49	
Homeless	167	84	83	233	233	
Homelessness Funding	62	46	16	-	-	
Housing	85	82	3	153	153	
Housing Register	37	35		51	51	
Homelessness Prevention	112	-	112	-	240	
Housing Energy Retraining Options (HERO)	8	50	(42)	48	48	
Energy Efficiency	-	(0)	0	-	-	
Gypsy Sites	1	(1)	2	(1)	(1)	
Disabled Facilities Grant Administration	0	8	(8)	(50)	(50)	
Private Sector Housing	114	122	(8)	294	294	
Sevenoaks Switch and Save	4	-	4	-	-	
Total Housing & Health (SDC Funded)	624	470	153	829	1,069	240

**Position as at the end of August 2020
(Period 202105)**

Housing & Health Externally Funded

Choosing Health WK PCT	(9)	(10)	1	-	-	-
Dementia Area Project - Run Walk Push	(0)	-	(0)	-	-	-
One You - Your Home Project	(24)	-	(24)	-	-	-
PCT Health Checks	(15)	(2)	(13)	-	-	-
PCT Initiatives	(32)	10	(42)	-	-	-
Total Housing & Health (Ext Funded)	(80)	(1)	(79)	-	-	-

Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Forecast
Actual	Budget	Variance as at y-t-d	Budget	Forecast (including Accruals)	Annual Variance
£'000	£'000	£'000	£'000	£'000	£'000
Choosing Health WK PCT	(9)	(10)	1	-	-
Dementia Area Project - Run Walk Push	(0)	-	(0)	-	-
One You - Your Home Project	(24)	-	(24)	-	-
PCT Health Checks	(15)	(2)	(13)	-	-
PCT Initiatives	(32)	10	(42)	-	-
Total Housing & Health (Ext Funded)	(80)	(1)	(79)	-	-

Total Housing & Health

544	469	74	829	1,069	240
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Agenda Item 7

Position as at the end of August 2020 (Period 202105)

	Y-T-D	Y-T-D	Y-T-D	Annual	Annual	Forecast
	Actual	Budget	Variance as at	Budget	Forecast	Annual
	£'000	£'000	y-t-d	£'000	(including	Annual
			£'000		Accruals)	Variance
					£'000	£'000
Finance & Investments						
Asset Maintenance Operatives	3	2	2	4	4	-
Asset Maintenance Support & Salaries	16	79	(63)	236	236	-
Asset Maintenance Public Toilets	-	3	(3)	7	7	-
Asset Maintenance Direct Services	10	17	(7)	41	41	-
Asset Maintenance Leisure	43	77	(35)	186	186	-
Asset Maintenance Playgrounds	2	4	(1)	8	8	-
Asset Maintenance Argyle Road	6	32	(27)	77	77	-
Asset Maintenance CCTV	1	8	(7)	18	18	-
Asset Maintenance Sewage Treatment Plants	-	4	(4)	9	9	-
Asset Maintenance Countryside	3	4	(1)	9	9	-
Asset Maintenance Hever Road	22	16	6	39	39	-
Asset Maintenance Other Corporate Properties	19	14	5	34	34	-
Dartford Audit Partnership Hub (SDC Costs)	64	92	(28)	-	-	-
Dartford Rev&Ben Partnership Hub (SDC costs)	741	774	(34)	-	16	16
Misc. Finance	(467)	660	(1,127)	1,492	624	(869)
Benefits Grants	489	489	(0)	(25)	(25)	-
Local Tax	62	(137)	199	(90)	287	377
Housing Advances	-	1		1	1	-
Treasury Management	52	49		125	125	-
Benefits Admin	141	148		52	45	(7)
Bus Station	15	10	5	7	7	-
Estates Management - Buildings	66	35	31	(2)	48	50
Housing Other Income	(9)	(6)	(3)	(14)	(14)	-
Housing Premises	(7)	(2)	(5)	16	16	-
Support - General Admin	-	2	(2)	5	5	-
Support - Legal Function	83	106	(23)	255	232	(23)
Support - Property Function	24	22	2	53	53	-
Support - Finance Function	87	98	(11)	234	234	-
Support - Exchequer and Procurement	63	59	3	151	151	-
Support - Counter Fraud	23	23	-	56	56	-
Support - Rev & Ben Control	90	90	(0)	217	217	-
Support - Audit Function	82	77	4	189	181	(8)
Support - Procurement	-	3	(3)	6	6	-
Administrative Expenses - Chief Executive	0	7	(6)	22	22	-
Economic Development Property	0	-	0	-	-	-
Administrative Expenses - Finance	21	20	1	32	32	-
Administrative Expenses - Revenues and Benefits	(0)	-	(0)	-	-	-
Administrative Expenses - Property	1	1	(0)	3	3	-
Total Finance & Investments	1,746	2,880	(1,130)	3,451	2,987	(464)

**Position as at the end of August 2020
(Period 202105)**

	Y-T-D Actual £'000	Y-T-D Budget £'000	Y-T-D Variance as at y-t-d £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Cleaner & Greener						
Car Parks	302	(723)	1,025	(1,985)	(142)	1,843
Refuse Collection	1,211	1,192		2,826	2,851	25
Car Parking - On Street	147	(221)	367	(480)	165	645
CCTV	136	127	9	277	277	-
Civil Protection	21	31	(10)	69	69	-
Dartford Environmental Hub (SDC Costs)	269	293	(24)	-	-	-
EH Commercial	118	117	1	281	285	4
EH Animal Control	4	(1)	5	4	18	14
EH Environmental Protection	160	158	3	387	391	4
Emergency	28	29	(0)	69	69	-
Parking Enforcement - Tandridge DC	(59)	(7)	(51)	(29)	(51)	-
Estates Management - Grounds	52	52	(1)	125	125	-
Kent Resource Partnership	(194)	(193)	(1)	-	-	-
Licensing Partnership Hub (Trading)	21	15	5	-	-	-
Licensing Partnership Members	-	-	-	-	-	-
Licensing Regime	(27)	(29)	3	(7)	18	25
Markets	(61)	(73)	12	(192)	(192)	-
Parks and Recreation Grounds	49	55	(5)	132	132	-
Parks - Greensand Commons Project	5	-	5	-	-	-
Parks - Rural	52	67	(14)	163	163	-
Public Transport Support	-	0	(0)	0	0	-
Administrative Expenses - Direct Services	(0)	-	(0)	-	-	-
Administrative Expenses - Health	1	4	(3)	9	0	(9)
Administrative Expenses - Transport	1	2	(1)	7	7	-
Administrative Expenses - Licensing	0	3	(3)	8	1	(7)
Street Cleansing	625	625	0	1,495	1,495	-
Support - Central Offices	317	356	(39)	488	488	-
Support - Central Offices - Facilities	104	110	(7)	275	275	-
Support - General Admin (Post/Scanning)	53	79	(26)	189	174	(15)
Support - Health and Safety	4	8	(4)	19	19	-
Support - Direct Services	14	19	(5)	49	49	-
Direct Services Trading account	(156)	(145)	-	(91)	13	-
Taxis	14	5	9	35	90	55
Public Conveniences	24	23	2	47	47	-
Total Cleaner and Greener	3,235	1,976	1,251	4,172	6,838	2,584

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Position as at the end of August 2020 (Period 202105)

	Y-T-D Actual £'000	Y-T-D Budget £'000	Y-T-D Variance as at y-t-d £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Improvement & Innovation						
Economic Development	2	24	(22)	37	37	-
Economic Development Property	191	190	1	415	415	-
Corporate Management	357	388	(31)	1,083	1,036	(48)
Asset Maintenance IT	66	120	(54)	289	289	-
Action and Development	0	3	(3)	8	8	-
Corporate Projects	51	43	8	102	102	-
Consultation and Surveys	-	-	-	4	4	-
Democratic Services	66	67	(1)	161	161	-
Land Charges	(7)	(44)	37	(108)	(38)	70
Street Naming	(0)	1	(1)	1	1	-
Civic Expenses	15	16	(1)	17	17	-
Elections	28	43	(15)	145	145	-
Register of Electors	72	109	(37)	237	215	(22)
Corporate - Other	-	(35)	35	36	76	40
Support - Local Offices	0	-	0	-	-	-
Support - IT	652	660	(8)	1,116	1,116	-
Support - Nursery	0	-	0	-	-	-
Support - Human Resources	172	165	7	367	367	-
External Communications	84	99	(15)	216	209	(7)
Members	173	193	(20)	464	459	(5)
Performance Improvement	7	7	1	(0)	(0)	-
Support - Contact Centre	226	236	(10)	565	555	(10)
Support - General Admin (Print Shop)	23	6	18	(34)	39	73
Support - General Admin	11	19	(7)	179	179	-
Administrative Expenses - Human Resources	9	6	3	9	9	-
Administrative Expenses - Corporate Services	2	9	(7)	23	23	-
Administrative Expenses - Legal and Democratic	29	50	(21)	70	60	(10)
Administrative Expenses - Transformation and Strategy	0	2	(2)	5	5	-
Total Improvement & Innovation	2,230	2,375	(146)	5,406	5,488	82

4. Cumulative Salary Monitoring

Position as at the end of August 2020
(Period 202105)

	Y-T-D	Annual	Annual	Annual	Annual
	Actual	Budget	Forecast	Variance	Variance
	£'000	£'000	£'000	£'000	%
Development and Conservation					
Building Control	148	373	373	0	-
Planning Services	894	2,071	2,021	(50)	(2)
	1,042	2,444	2,394	(50)	(2)
Finance and Investments					
Economic Development Property	180	447	447	0	-
Chief Executive	86	210	210	0	-
Finance	344	885	885	0	-
Property	243	606	606	0	-
Revenues and Benefits	640	1,618	1,633	16	1
	1,494	3,765	3,781	16	1
Cleaner and Greener					
Direct Services	1,608	4,298	4,263	(35)	(1)
Health	266	696	696	0	-
Licensing	196	463	463	0	-
Transport	227	501	501	0	-
	2,298	5,958	5,923	(35)	(1)
Housing and Health					
Housing	194	576	576	0	-
	194	576	576	0	0
Improvement and Innovation					
Corporate Services	651	1,759	1,765	6	0
Legal and Democratic	240	633	594	(39)	(6)
Transformation and Strategy	239	609	592	(17)	(3)
Human Resources	157	358	358	0	-
	1,287	3,359	3,309	(50)	(9)
People and Places					
People & Places	331	532	532	0	-
	331	532	532	0	0
Subtotal	6,645	16,633	16,514	(119)	(11)
Council Wide - Vacant Posts	0	(102)	(42)	60	-
Staff Recruitment and Retention	0	72	72	0	-
TOTAL SDC Funded Salary Costs	6,645	16,603	16,544	(59)	(11)
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.					
People & Places	201	505	505	0	-
Housing	57	178	178	0	0
Direct Services	50	123	123	0	0
Sub Total	308	806	806	0	0
TOTAL All Salary Costs	6,953	17,409	17,350	(59)	(11)

Staffing Stats

*Position as at the end of August 2020
(Period 202105)*

	Budget FTE*	Staff FTE	Agency FTE	Casual FTE	Total
Development and Conservation					
Building Control	8.00	7.00			7.00
Planning Services	43.47	39.66	1.00		40.66
Finance and Investments					
Economic Development Property	7.00	6.35		0.61	6.96
Chief Executive	1.00	1.00			1.00
Finance	15.00	14.08			14.08
Property	15.98	15.68			15.68
Revenues and Benefits	43.14	39.99	1.00	0.52	41.51
Cleaner and Greener					
Direct Services	127.16	109.78	19.71	0.92	130.41
Health	12.57	11.24	1.00		12.24
Licensing	10.59	12.19			12.19
Transport	13.00	14.97			14.97
Housing and Health					
Housing	13.21	15.33			15.33
Improvement and Innovation					
Corporate Services	49.66	46.99		0.38	47.37
Legal and Democratic	7.50	6.00			6.00
Transformation and Strategy	14.41	13.14			13.14
Human Resources	7.56	10.00			10.00
People and Places					
Communities & Business	8.08	8.08	1.00		9.08
Sub Total	397.33	371.50	23.71	2.43	397.64
Externally Funded					
People & Places	12.96	9.61		0.32	9.93
People & Places - Housing	4.39	4.36			4.36
KRP	2.00	2.00			2.00
Sub total	19.35	15.97	0.00	0.32	16.29
Total	416.68	387.47	23.71	2.75	413.93

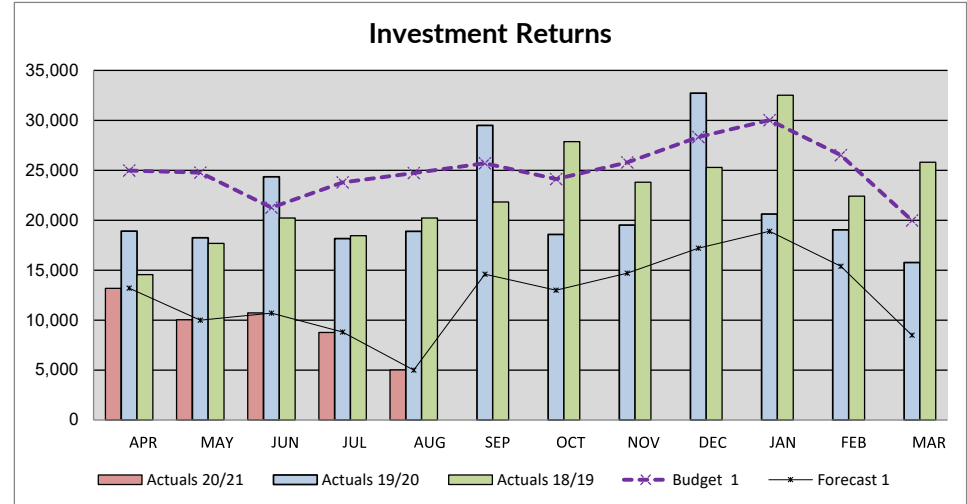
2 maternity covers

Number of staff paid in August 2020:
418 permanent, 6 casuals

FTE updated to reflect change in structure

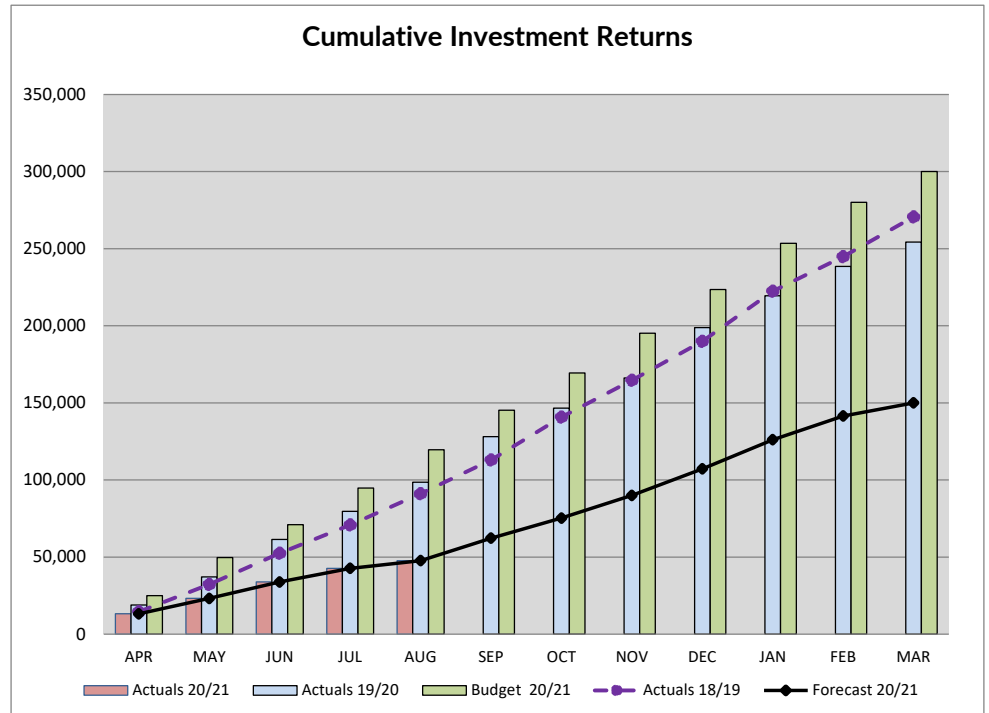
6 Investment Returns

	Actuals 18/19	Actuals 19/20	Actuals 20/21	Budget 1	Variance	Forecast 1
APR	14,566	18,908	13,190	24,977	-11,787	13,200
MAY	17,690	18,243	10,041	24,770	-14,729	10,000
JUN	20,233	24,341	10,719	21,274	-10,555	10,700
JUL	18,443	18,166	8,761	23,790	-15,029	8,800
AUG	20,224	18,891	5,010	24,730	-19,720	5,000
SEP	21,831	29,495		25,700		14,600
OCT	27,864	18,586		24,127		13,000
NOV	23,808	19,520		25,789		14,700
DEC	25,281	32,723		28,331		17,200
JAN	32,513	20,620		30,020		18,900
FEB	22,411	19,034		26,511		15,400
MAR	25,803	15,768		19,981		8,500
	270,667	254,295	47,721	300,000	-71,820	150,000



INVESTMENT RETURNS (CUMULATIVE)

	Actuals 18/19	Actuals 19/20	Actuals 20/21	Budget 20/21	Variance	Forecast 20/21
APR	14,566	18,908	13,190	24,977	-11,787	13,200
MAY	32,256	37,151	23,231	49,747	-26,516	23,200
JUN	52,489	61,492	33,950	71,021	-37,071	33,900
JUL	70,932	79,658	42,711	94,811	-52,100	42,700
AUG	91,156	98,549	47,721	119,541	-71,820	47,700
SEP	112,987	128,044		145,241		62,300
OCT	140,851	146,630		169,368		75,300
NOV	164,659	166,150		195,157		90,000
DEC	189,940	198,873		223,488		107,200
JAN	222,453	219,493		253,508		126,100
FEB	244,864	238,527		280,019		141,500
MAR	270,667	254,295		300,000		150,000



BUDGET FOR 2019/20 300,000
 FORECAST OUTTURN 150,000

CODE:- **YHAA 96900**

N.B.

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

Fund Average 0.5049%
 7 Day LIBID -0.0540%
 3 Month LIBID 0.1420%

10. Capital

*Position as at the end of August 2020
(Period 202105)*

Y-T-D Actual	Annual (19/20) Budget	Annual For Var	Annual (19/20) Forecast (including Accruals)
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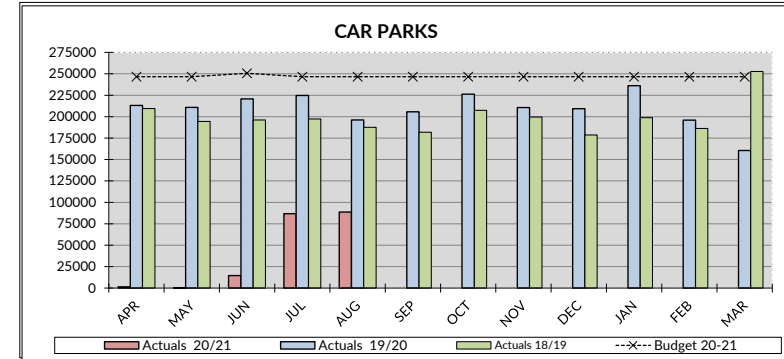
8 Income Graphs Summary

	ACTUAL	Comparison of 18/19 and 19/20, where brackets show increased income	MANAGER'S PROFILED BUDGET	Variance, where brackets are favourable	ANNUAL BUDGET 2019/20	Annual Forecast
CAR PARKS	191,772	873,639	1,237,015	1,045,243	2,963,237	(1,909,286)
ON-STREET PARKING	107,653	353,091	457,067	349,414	1,096,960	(662,083)
LAND CHARGES	52,833	22,336	89,745	36,912	215,388	-
BUILDING CONTROL	209,841	27,493	204,540	(5,301)	490,896	-
DEVELOPMENT MANAGEMENT	323,456	121,558	385,182	61,726	924,437	-
	885,555	1,398,117	2,373,549	1,487,994	5,690,918	(2,571,369)

CAR PARKS (HWCARPK)

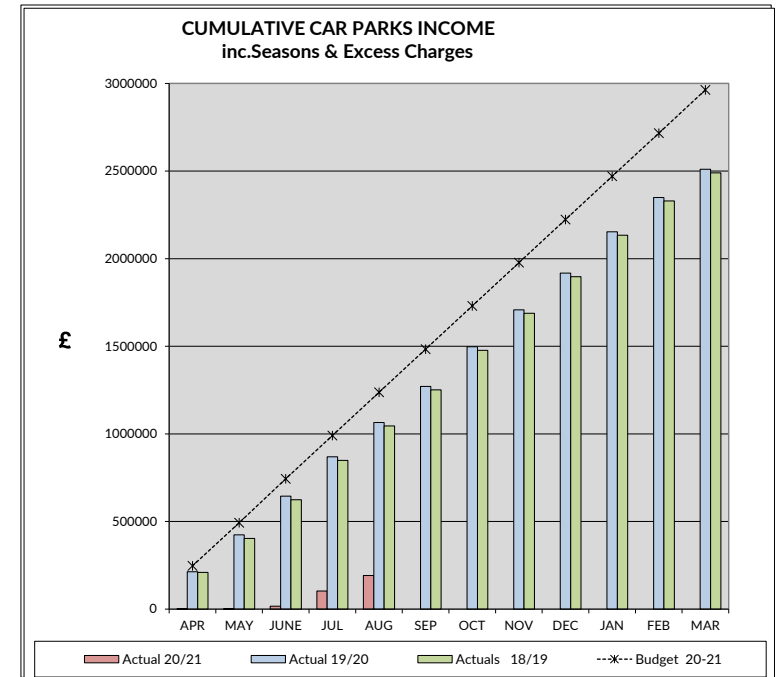
	Actuals 18/19	Actuals 19/20	Actuals 20/21	Increase / decrease from 19/20 to 20/21	Budget 20-21	Variance (Budget-Actuals)	Manager's Forecast
1 APR	209,387	213,119	1513	211,606	246,603	245,090	
2 MAY	194,451	210,813	158	210,655	246,603	246,445	
3 JUN	196,119	220,637	14588	206,049	250,603	236,015	
4 JUL	197,332	224,678	86759	137,919	246,603	159,844	
5 AUG	187,490	196,164	88754	107,410	246,603	157,850	
6 SEP	181,917	205,737			246,603		
7 OCT	207,316	226,210			246,603		
8 NOV	199,634	210,651			246,603		
9 DEC	178,551	209,265			246,603		
10 JAN	198,858	236,228			246,603		
11 FEB	186,163	195,940			246,603		
12 MAR	252,653	160,439			246,603		
	2,389,870	2,509,881	191,772	873,639	2,963,237	1,045,243	-1,909,286

NOTE: Budget Profiles to be reviewed



CAR PARKS (CUMULATIVE)

	Actuals 18/19	Actual 19/20	Actual 20/21	Cumulative increase / decrease from 19/20 to 20/21	Budget 20-21	Variance (Budget-Actuals)	Manager's Forecast
APR	209,387	213,119	1513	211,606	246,603	245,090	
MAY	403,838	423,932	1671	422,261	493,206	491,535	
JUNE	624,475	644,570	16260	628,310	743,809	727,550	
JUL	849,153	869,247	103018	766,229	990,412	887,394	
AUG	1,045,317	1,065,411	191772	873,639	1,237,015	1,045,243	
SEP	1,251,053	1,271,148			1,483,618		
OCT	1,477,263	1,497,358			1,730,222		
NOV	1,687,914	1,708,009			1,976,825		
DEC	1,897,180	1,917,274			2,223,428		
JAN	2,133,408	2,153,502			2,470,031		
FEB	2,329,348	2,349,442			2,716,634		
MAR	2,489,787	2,509,881			2,963,237		
							-1,909,286



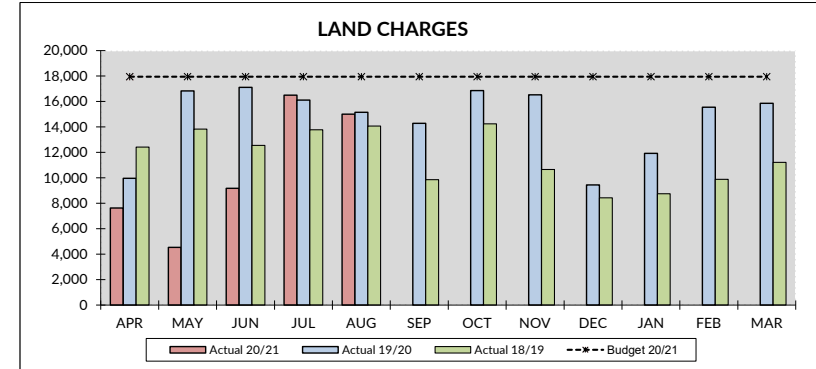
Aug-20

HWCARPK

	Actual (Cumulative)	Budget	(Monthly)	
DAY TICKETS	3300	154,075	1,062,850	76,244
EXCESS / PENALTY CHARGES	****1/****3	-	-	-
SEASON TICKETS	***2	(3,562)	-	-
SEASON TICKET CAR PARK	3310	34,697	161,086	11,259
OTHER (inc.Res.Pkg)	****9	-	2,829	-
WAIVERS	3404	290	-	-
RENT	94500	6,272	10,250	1,250
Business Permits	3406 /3408	-	-	-
		191,772	1,237,015	88,754

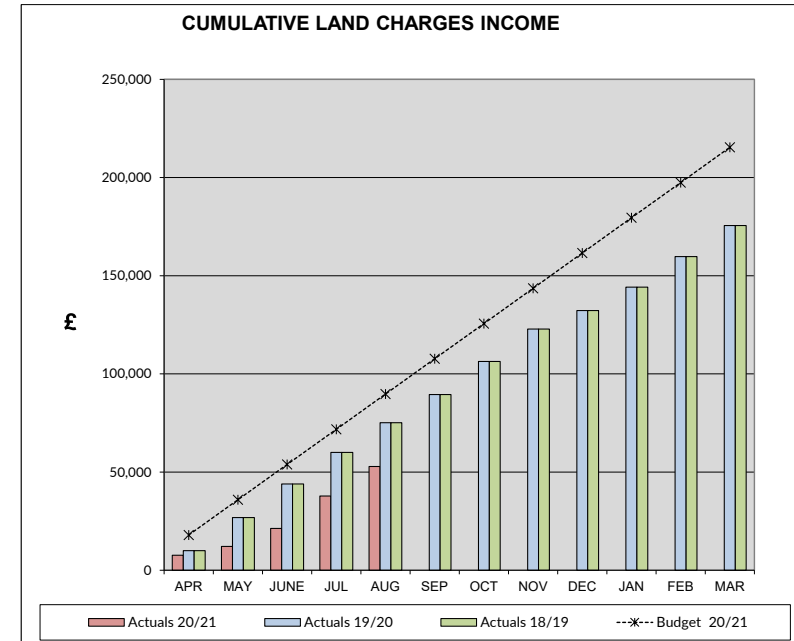
LAND CHARGES (LPLNDCH)

	Actual 18/19	Actual 19/20	Actual 20/21	Increase / decrease from 19/20	Budget 20/21	Variance (Budget-Actuals)	Manager's Forecast
1 APR	12,416	9,967	7,630	2,337	17,949	10,319	
2 MAY	13,827	16,828	4,532	12,296	17,949	13,417	
3 JUN	12,546	17,112	9,171	7,941	17,949	8,778	
4 JUL	13,782	16,113	16,500	(387)	17,949	1,449	
5 AUG	14,070	15,149	14,999	150	17,949	2,950	
6 SEP	9,855	14,286			17,949		
7 OCT	14,249	16,854			17,949		
8 NOV	10,650	16,519			17,949		
9 DEC	8,425	9,444			17,949		
10 JAN	8,755	11,917			17,949		
11 FEB	9,882	15,554			17,949		
12 MAR	11,220	15,857			17,949		
TOTAL	139,678	175,599	52,833	22,336	215,388	36,912	-



LAND CHARGES (CUMULATIVE)

	Actuals 18/19	Actuals 19/20	Actuals 20/21	Cumulative increase / decrease from 19/20	Budget 20/21	Variance (Budget-Actuals)	Manager's Forecast
APR	9,967	9,967	7,630	2,337	17,949	10,319	
MAY	26,795	26,795	12,162	14,633	35,898	23,736	
JUNE	43,907	43,907	21,334	22,573	53,847	32,513	
JUL	60,020	60,020	37,834	22,187	71,796	33,962	
AUG	75,169	75,169	52,833	22,336	89,745	36,912	
SEP	89,455	89,455			107,694		
OCT	106,309	106,309			125,643		
NOV	122,828	122,828			143,592		
DEC	132,272	132,272			161,541		
JAN	144,188	144,188			179,490		
FEB	159,742	159,742			197,439		
MAR	175,599	175,599			215,388		



Aug-20

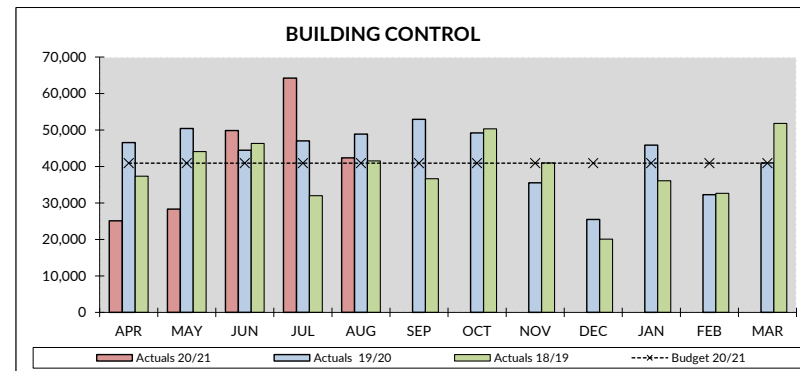
LPLNDCH

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

Received (Month)	Percentage (Month)	Percentage (Month 20/21)	(Cumulative)
1	%	1%	6
102	36%	38%	358
181	64%	61%	572
284	100%	100%	936

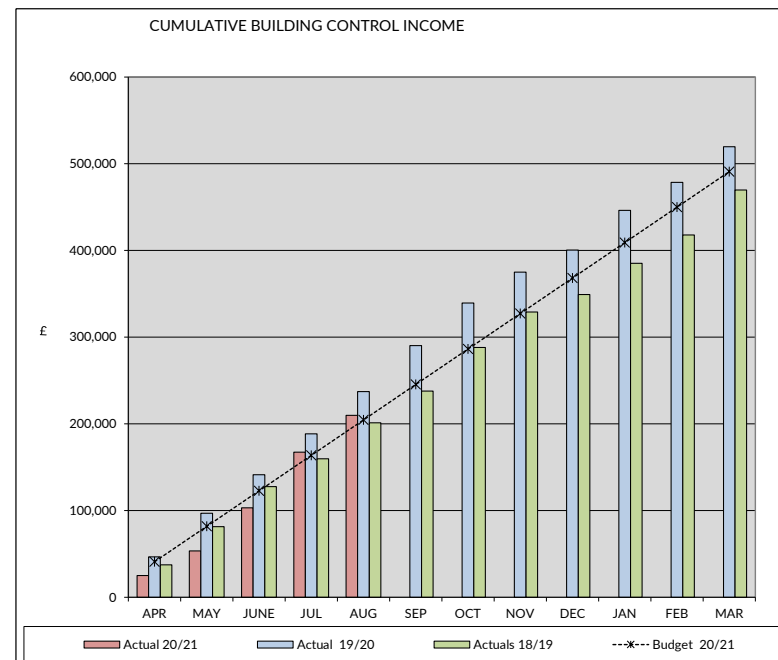
BUILDING CONTROL (DVBCFEE)

	Actuals 18/19	Actuals 19/20	Actuals 20/21	Increase / decrease from 19/20 to 20/21	Budget 20/21	Variance (Budget-Actuals)	Manager's Forecast
1 APR	37,342	46,552	25,107	21,445	40,908	15,801	
2 MAY	44,099	50,427	28,305	22,121	40,908	12,603	
3 JUN	46,293	44,461	49,857	(5,396)	40,908	(8,949)	
4 JUL	32,009	47,025	64,205	(17,180)	40,908	(23,297)	
5 AUG	41,516	48,869	42,367	6,502	40,908	(1,459)	
6 SEP	36,624	52,900			40,908		
7 OCT	50,302	49,220			40,908		
8 NOV	40,944	35,500			40,908		
9 DEC	20,059	25,489			40,908		
10 JAN	36,097	45,849			40,908		
11 FEB	32,648	32,288			40,908		
12 MAR	51,799	40,975			40,908		
TOTAL	469,732	519,556	209,841	27,493	490,896	(5,301)	0



BUILDING CONTROL (CUMULATIVE)

	Actuals 18/19	Actual 19/20	Actual 20/21	Cumulative increase / decrease from 19/20-20/21	Budget 20/21	Variance (Budget-Actuals)	Manager's Forecast
APR	37,342	46,552	25,107	21,445	40,908	15,801	
MAY	81,441	96,978	53,412	43,566	81,816	28,404	
JUNE	127,734	141,439	103,269	38,170	122,724	19,455	
JUL	159,743	188,464	167,474	20,991	163,632	(3,842)	
AUG	201,259	237,334	209,841	27,493	204,540	(5,301)	
SEP	237,883	290,234			245,448		
OCT	288,185	339,454			286,356		
NOV	329,129	374,954			327,264		
DEC	349,188	400,444			368,172		
JAN	385,285	446,292			409,080		
FEB	417,933	478,580			449,988		
MAR	469,732	519,556			490,896		0



Aug-20

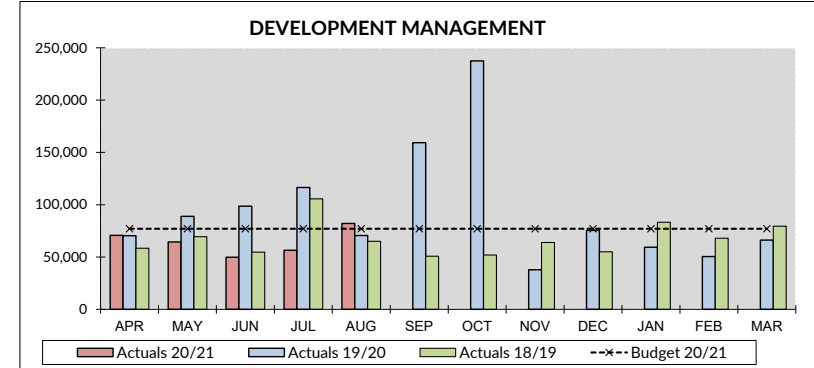
DVBCFEE

CUMULATIVE BREAKDOWN

	Actual (Cumulative)	Budget	(Monthly)
Plan Fee	3066	145,557	33,208
Inspection Fee	3067	63,024	9,159
Other	9999	1,260	
New Burdens Grant	3905		
TOTAL	209,841	204,540	42,367

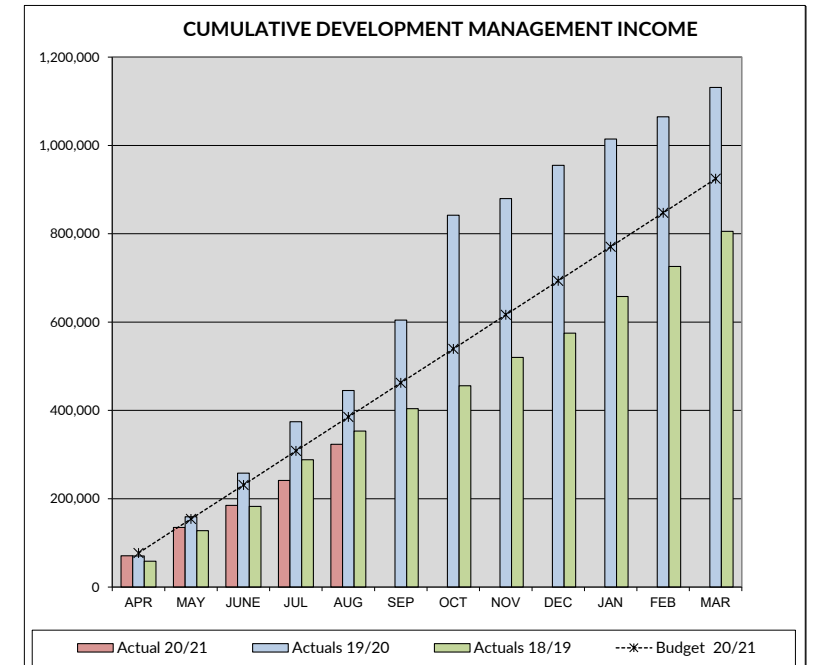
DEVELOPMENT MANAGEMENT (DVDEVCT/DVDEVRND)

	Actuals 18/19	Actuals 19/20	Actuals 20/21	Increase / decrease from 19/20 -20/21	Budget 20/21	Variance (Budget-Actuals)	Manager's Forecast
1 APR	58,404	70,363	70,765	(402)	77,036	6,271	
2 MAY	69,455	88,827	64,358	24,469	77,036	12,678	
3 JUN	54,668	98,710	49,790	48,920	77,036	27,246	
4 JUL	105,667	116,501	56,443	60,057	77,036	20,593	
5 AUG	64,977	70,614	82,100	(11,486)	77,036	(5,063)	
6 SEP	50,827	159,361			77,036		
7 OCT	51,985	237,506			77,036		
8 NOV	63,941	37,774			77,036		
9 DEC	54,926	75,475			77,036		
10 JAN	83,258	59,329			77,036		
11 FEB	67,922	50,534			77,036		
12 MAR	79,480	66,253			77,036		
TOTAL	805,509	1,131,247	323,456	121,558	924,437	61,726	



DEVELOPMENT MANAGEMENT (CUMULATIVE)

	Actuals 18/19	Actuals 19/20	Actual 20/21	Cumulative increase / decrease from 19/20 -20/21	Budget 20/21	Variance (Budget-Actuals)	Manager's Forecast
APR	58,404	70,363	70,765	(402)	77,036	6,271	
MAY	127,859	159,190	135,123	24,066	154,073	18,949	
JUNE	182,526	257,900	184,913	72,986	231,109	46,196	
JUL	288,193	374,400	241,356	133,044	308,146	66,789	
AUG	353,170	445,014	323,456	121,558	385,182	61,726	
SEP	403,997	604,376			462,219		
OCT	455,982	841,882			539,255		
NOV	519,923	879,656			616,291		
DEC	574,849	955,131			693,328		
JAN	658,107	1,014,460			770,364		
FEB	726,029	1,064,994			847,401		
MAR	805,509	1,131,247			924,437		0



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Aug-20

DVDEVCT/DVDEVRND

	Actual (Cumulative)	Budget	(Monthly)	
Planning Application Fees	94300/3009	283,746	338804	69855
Other	94300/9999	(1,047)	0	(152)
Pre-application Fees	94301	37,757	41513	12397
Monitoring Fees	94302	3,000	4865	
RECH-Other A/C'S	98100			
TOTAL	323,456	385,182	82,100	

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BUDGET 2021/22: SERVICE DASHBOARDS AND SERVICE CHANGE IMPACT ASSESSMENTS (SCIAS)

Finance and Investment Advisory Committee - 21 October 2020

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

Status: For Comment

Also considered by:

- Housing and Health Advisory Committee - 29 September 2020
- People and Places Advisory Committee - 6 October 2020
- Improvement and Innovation Advisory Committee - 8 October 2020
- Cleaner and Greener Advisory Committee - 13 October 2020
- Development and Conservation Advisory Committee - 20 October 2020

Key Decision: No

Executive Summary:

This report sets out updates to the 2021/22 budget within the existing framework of the 10-year budget and savings plan. The report presents growth and savings/additional income proposals that have been identified which need to be considered (if applicable to this Committee), and requests further suggestions from the Advisory Committees, before finalising the budget for 2021/22.

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

To achieve this aim and to ensure a balanced budget position over the next 10-year period will be more challenging this year due to the financial impact of the Covid-19 pandemic.

The budget process will be shorter this year so that the Council's budget is set at the November Council meeting instead of the February Council meeting. This should enable any changes to be implemented with effect from 1 April 2021 and the period of uncertainty for staff minimised.

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The annual budget gap included in this report is £826,000 which is largely due to Covid-19. The Advisory Committees will comment on the growth and savings/additional income proposals included in the reports, and their recommendations will be considered by Cabinet as part of the process to remove this gap. By addressing the issues this year, this Council will once again be in a strong financial position that other councils would aspire to.

Portfolio Holder: Cllr. Matthew Dickins

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

Recommendation to each Advisory Committee:

a) Advise Cabinet with views on the growth and savings/additional income proposals identified in Appendix F applicable to this Advisory Committee.

(b) Advise Cabinet with further suggestions for growth and savings/additional income applicable to this Advisory Committee.

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

Introduction and Background

- 1 The Council's financial strategy over the past sixteen years has worked towards increasing financial sustainability and it has been successful through the use of a number of strategies including:
 - implementing efficiency initiatives;
 - significantly reducing the back-office function;
 - improved value for money;
 - maximising external income;
 - the movement of resources away from low priority services; and
 - an emphasis on statutory rather than non-statutory services.
- 2 Over this period, the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 3 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available and current assumptions may need to be updated.
- 4 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the immediate reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the

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

- 5 With the Revenue Support Grant provided by Government ceasing 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 base; and
 - generating more income.
- 6 The intention of this report is to provide Members of each Advisory Committee an opportunity to give their views on potential growth and savings/additional income items that could be included in the updated 10-year budget that will be presented to Council on 17 November 2020.
- 7 The 'Financial Prospects and Budget Strategy 2021/22 and Beyond' report has been presented to Cabinet to start the budget setting process for 2021/22.

Financial Self-Sufficiency

- 8 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.
- 9 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.
- 10 The decision to become financially self-sufficient is intended to give the Council greater control over its services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.
- 11 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Associations Peer Challenge of the District Council during December 2013. In their closing letter to the Council they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'.
- 12 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no Revenue Support Grant or New

Agenda Item 8

Homes Bonus. Any funding received from these sources will be put into the Financial Plan Reserve which can be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy. One of the aims of the Property Investment Strategy is to achieve an 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 2.6% for 30 years) when externally borrowing, based on an average over ten years. Therefore, using funding for this purpose will result in additional year on year income that is not impacted by Government decisions.

- 13 Cabinet are keen to remain financially self-sufficient which has served the Council well and ensured it is one of the most financially stable local authorities in the country. Last year 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 reviews have been deferred, this will not be addressed during this budget process but remains a future aim. This ambition will allow this Council to move ahead in the knowledge that this council has the financial resources to provide the services that the district's residents need into the future.

Service Dashboards

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

Savings Plan

- 17 **Appendix C** to this report sets out a summary of the savings/additional income and growth items approved by Council since the 10-year budget strategy was first used in 2011/12, which have allowed the Council to deliver a 10-year balanced budget.
- 18 The savings plan requires a total of over £7.7 million to be saved between 2011/12 and 2020/21 which is an average saving of £770,000 per annum.
- 19 **Appendix D** contains changes since the last 10-year Budget was agreed by Council on 4 February 2020. These changes are largely due to the ongoing impact of Covid-19 and the 2020/21 pay award being higher than previously assumed. These changes were explained in the Financial Prospects report presented to FIAC and Cabinet in September.

- 20 These changes result in a budget gap of £826,000 per annum.
- 21 **Appendix E** contains an updated 10-year Budget to reflect these changes
- 22 In addition to the above budget gap, the 10-year budget attached shows a net saving or additional income requirement of £100,000 per annum in all years to deliver a long-term sustainable budget.
- 23 Other pressures may result in a requirement for further savings. Officers will continue to monitor these pressures and report the latest position to Cabinet in October.

Proposed Growth and Savings/Additional Income Items

- 24 Growth items are items that are in addition to non-service issues and risks, such as grant settlements, impacts of economic change and other pressures highlighted in the 'Financial Prospects and Budget Strategy 2021/22 and Beyond' report considered by Cabinet on 17 September 2020.
- 25 A number of growth and savings/additional income items will be proposed at the Advisory Committees with the aim of achieving the savings/additional income to bridge the £826,000 budget gap.
- 26 The proposed growth and savings/additional income items relating to this Advisory Committee are listed in **Appendix F** (if applicable).
- 27 Service Change Impact Assessments (SCIAs) contain further details for all proposed growth and savings/additional income items. SCIAs applicable to this Advisory Committee can be found in **Appendix G** (if applicable).

Financial Summary

- 28 The assumptions currently included take into account the latest information available, but a number of assumptions may change before the final budget meeting in November 2020.
- 29 The 10-year budget attached at **Appendix E** includes the changes that were included in the 'Financial Prospects and Budget Strategy 2020/21 and Beyond' report.

Role of the Advisory Committees

- 30 A training session on the budget process was provided to Members last year. If Members require any further training or require any additional details on the content of this report and appendices, please contact Adrian Rowbotham or Alan Mitchell prior to the meeting.
- 31 Views of the Advisory Committees on the growth and savings/additional income items proposed together with any additional suggestions will be considered by Cabinet at its meeting on 5 November 2020.

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Process and Timetable

- 32 This report is the second stage of the budget process as shown in the Budget Setting Timetable (**Appendix H**).
- 33 The budget process has been shortened this year so that this Council's budget is set at the November Council meeting instead of the February Council meeting. This should enable any changes to be implemented with effect from 1 April 2021 and the period of uncertainty for staff being reduced.
- 34 A Budget Update report will be presented to Cabinet on 15 October 2020 to provide details of progress made before the Budget Setting report is presented to Cabinet on 5 November 2020.
- 35 There will still be a Council Tax Setting report presented to Cabinet and Council in February as that will confirm the full Council Tax for the district in 2021/22 incorporating the Council Tax requirements of the preceptors (i.e. Kent County Council, Kent Fire, Kent Police, Town and Parish Councils).

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

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

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

A separate Risks and Assumptions report will be presented to the Finance and Investment Advisory Committee and Cabinet.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful

discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

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

Conclusions

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

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

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

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

Members' consideration and scrutiny of the relevant services is an essential and key element in the business and financial planning process. If the net total of growth and savings/additional income proposals identified by the Advisory Committees and approved by Cabinet does not reach the £826,000 target, additional savings will be required that may result in service changes, to ensure a balanced budget position.

Agenda Item 8

Appendices

Appendix A - Service Dashboards relating to this Advisory Committee.

Appendix B - 2020/21 Budget by Service relating to this Advisory Committee.

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

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

Appendix E - 10-year budget

Appendix F - New growth and savings/additional income items proposed relating to this Advisory Committee (if applicable)

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

Appendix H - Budget Setting Timetable

Background Papers

Financial Prospects and Budget Strategy 2021/22 and Beyond - Cabinet 17
September 2020

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

Service Dashboard
Portfolio for Finance & Investments

The services we provide

Corporate governance, financial strategy, local tax, procurement, strategic risk, tax & benefits, fraud prevention, operational assets, business continuity, investments, legal, wellbeing

Service contribution

Statutory service
🔒 🔒 🔒 🔒 🔒

Income generating
💰 💰 💰 💰 💰

Working in partnership
🗨️ 🗨️ 🗨️ 🗨️ 🗨️

Council Plan

Wellbeing ✓

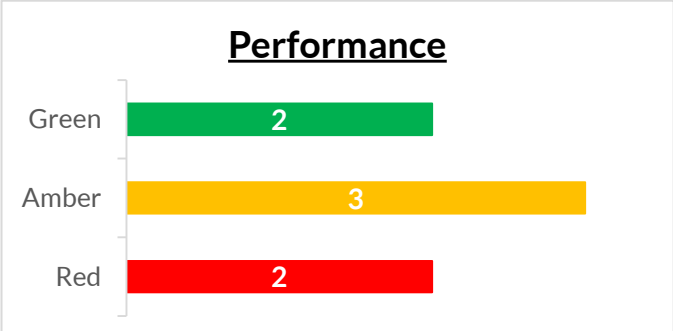
Environment ✖

Economy ✓

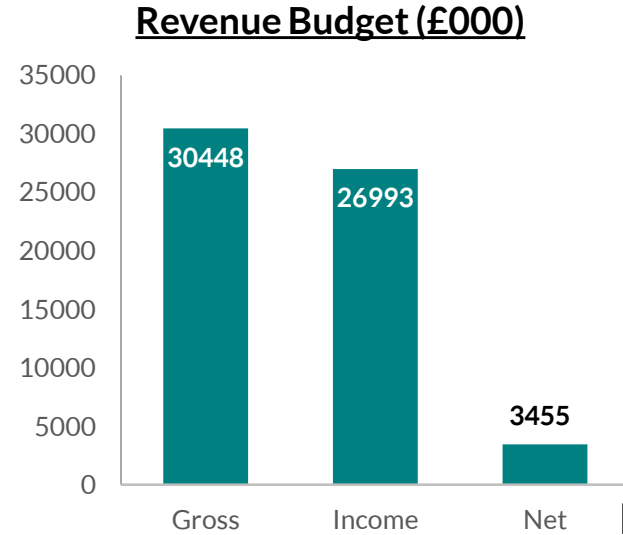
Housing ✖

Community Safety ✖

Health ✖



- Achievements & Opportunities**
- Continuing to achieve financial self-sufficiency and a balanced 10-year budget
 - Property Investment Strategy income continuing to support the budget
 - Council tax, benefits and business rates teams managing new demands from Government and providing additional support to residents and businesses during Covid-19.
 - Successful business continuity arrangements implemented in response to Covid-19.



- Challenges & Risks**
- Managing the financial risk associated with the recovery from Covid-19
 - Continuing to find innovative ways to ensure a prosperous financial future
 - Seeking new investments to complement the Council's property portfolio
 - Managing ongoing demand and expected increase in customers needing support within the council tax, benefits and business rates services

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Finance and Investment Advisory Committee				Appendix B
		2020/21 Exp Budget	2020/21 Inc Budget	2020/21 Approved Net Budget
		£000	£000	£000
Chief Officer				
Revenue				
Finance & Trading	Administrative Expenses - Chief Executive	22	0	22
Finance & Trading	Administrative Expenses - Finance	32	0	32
Finance & Trading	Administrative Expenses - Property	3	0	3
Finance & Trading	Asset Maintenance Argyle Road	77	0	77
Finance & Trading	Asset Maintenance CCTV	18	0	18
Finance & Trading	Asset Maintenance Countryside	9	0	9
Finance & Trading	Asset Maintenance Direct Services	41	0	41
Finance & Trading	Asset Maintenance Hever Road	39	0	39
Finance & Trading	Asset Maintenance Leisure	186	0	186
Finance & Trading	Asset Maintenance Operatives	4	0	4
Finance & Trading	Asset Maintenance Other Corporate Properties	34	0	34
Finance & Trading	Asset Maintenance Playgrounds	8	0	8
Finance & Trading	Asset Maintenance Public Toilets	7	0	7
Finance & Trading	Asset Maintenance Sewage Treatment Plants	9	0	9
Finance & Trading	Asset Maintenance Support & Salaries	236	0	236
Customer & Resources	Benefits Admin	412	(360)	52
Customer & Resources	Benefits Grants	25,641	(25,666)	(25)
Finance & Trading	Bus Station	18	(11)	7
Customer & Resources	Dartford Rev&Ben Partnership Hub (SDC costs)	153	(153)	0
Finance & Trading	Estates Management - Buildings	123	(125)	(2)
Finance & Trading	Housing Advances	1	0	1
Finance & Trading	Housing Other Income	(0)	(14)	(14)
Finance & Trading	Housing Premises	29	(13)	16
Customer & Resources	Local Tax	553	(643)	(90)

		2020/21 Exp Budget	2020/21 Inc Budget	2020/21 Approved Net Budget
		£000	£000	£000
Chief Officer				
Revenue				
Finance & Trading	Misc. Finance	1,492	0	1,492
Finance & Trading	Support - Audit Function	189	0	189
Customer & Resources	Support - Counter Fraud	56	0	56
Finance & Trading	Support - Exchequer and Procurement	151	0	151
Finance & Trading	Support - Finance Function	234	0	234
Finance & Trading	Support - General Admin	5	0	5
Customer & Resources	Support - Legal Function	263	(8)	255
Finance & Trading	Support - Procurement	6	0	6
Finance & Trading	Support - Property Function	53	0	53
Customer & Resources	Support - Rev & Ben Control	217	0	217
Finance & Trading	Treasury Management	125	0	125
		30,448	(26,993)	3,455
Capital				
People & Places	Property Investment Strategy	209	(1,637)	(1,428)

Summary of the Council's Agreed Savings/Additional Income and Growth Items

Appendix C

SCIA Year	No.	Description	2011/12 - 2020/21 £000	2021/22 £000	Later Years £000	Total £000
		Cleaner and Greener Advisory Committee				
2016/17	8	Playgrounds: reduction in asset maintenance (reversal of temporary saving item)		7		
2016/17	9	Public Conveniences: reduction in asset maintenance (reversal of temporary saving item)		8		
2019/20	7	Car Parking: Enforcement for Tandridge DC (reversal of temporary saving item)		30		
2020/21	8	Postal costs: changes to postal arrangements		(20)		
		Development and Conservation Advisory Committee				
2020/21	3	Development Management: additional income and cost recovery in Strategic Planning		(25)		
		Finance and Investment Advisory Committee				
2020/21	9	Finance Team restructure (reversal of temporary savings item)			87	
		Housing and Health Advisory Committee				
		No savings or growth agreed from 2021/22 onwards				
		Improvement and Innovation Advisory Committee				
2020/21	1	Apprenticeship Levy (reversal of temporary growth item)			(50)	
2020/21	13	Electric Car Project (reversal of temporary growth item)		(5)		
		People and Places Advisory Committee				
		No savings or growth agreed from 2021/22 onwards				
		Minor movements between years		(1)		
		Total Savings/additional income	(7,706)	(1)	87	(7,620)
		Total Growth	2,200	(5)	(50)	2,145
		Net Savings	(5,506)	(6)	37	(5,475)

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Summary of Changes to the 10-year Budget

Appendix D

Description	Year	Ongoing	2021/22 Impact £000	10-year Budget Impact £000
2021/22 savings target included in 10-year budget (savings not yet identified)			100	1,000
Covid-19 Impacts:				
Council Tax Collection Fund deficit in 20/21 spread over 21/22-23/24	2021/22		121	363
Council Tax Collection rate reductions: 21/22 from 99.4% to 97.9%, 22/23 from 99.4% to 98.4%, later years remain at 99.4%	2021/22		175	296
Reduced income - Car Parking: assumed 25% reduction in 21/22, 20% in 22/23, 15% in 23/24, 10% in 24/25, 5% in 25/26	2021/22		1,027	3,080
Reduced income - Licensing: 21/22 only	2021/22		15	15
Interest Receipts: 37.5% reduction as lower balances to invest due to use of reserves to fund Covid-19 deficit	2021/22		112	1,120
Increased expenditure - FM: cleaning and PPE for staff	2021/22		18	180
Increased expenditure - IT: costs relating to working from home	2021/22		5	35
Sub Total			1,473	5,089
Other Service Area Changes:				
Sub Total			0	0
Base Changes:				
Rolled on to 2030/31 and base figures updated to 2020/21 budget			12	711
Sub Total			12	711
Assumption Changes:				
Pay Award: 20/21 increased from 2% to 2.75%, later years remain at 2%			132	1,455
Sub Total			132	1,455
Total 10-year Budget change gap/(surplus)			1,717	8,255

i.e: £826,000 per annum

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Ten Year Budget - Revenue

Appendix E

	Budget 2020/21	Plan 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	15,251	15,581	17,156	17,332	17,666	17,870	18,079	18,342	18,872	19,411	19,957
Inflation	666	616	496	503	509	515	522	529	539	547	556
Superannuation Fund deficit	0	0	0	100	0	0	50	0	0	0	0
Net savings (approved in previous years)	(358)	(6)	0	37	0	(1)	0	1	0	(1)	(1)
New growth	160	1,065	(220)	(206)	(206)	(205)	(209)	100	100	100	100
New savings/Income	(138)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	15,581	17,156	17,332	17,666	17,870	18,079	18,342	18,872	19,411	19,957	20,512
Financing Sources											
Govt Support: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(11,264)	(11,443)	(11,862)	(12,357)	(12,741)	(13,136)	(13,542)	(13,933)	(14,335)	(14,747)	(15,170)
Business Rates Retention	(2,139)	(2,182)	(2,226)	(2,271)	(2,316)	(2,362)	(2,409)	(2,457)	(2,506)	(2,556)	(2,607)
Collection Fund Deficit/(Surplus)	0	121	121	121	0	0	0	0	0	0	0
Interest Receipts	(300)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)
Property Investment Strategy Income	(1,428)	(1,468)	(1,508)	(1,558)	(1,558)	(1,558)	(1,655)	(1,655)	(1,655)	(1,696)	(1,696)
Contributions to/(from) Reserves	(378)	(365)	(175)	(161)	(604)	194	208	221	236	249	148
Total Financing	(15,509)	(15,525)	(15,838)	(16,414)	(17,407)	(17,050)	(17,586)	(18,012)	(18,448)	(18,938)	(19,513)
Budget Gap (surplus)/deficit	72	1,631	1,494	1,252	463	1,029	756	860	963	1,019	999
Contribution to/(from) Stabilisation Reserve	(72)	(1,631)	(1,494)	(1,252)	(463)	(1,029)	(756)	(860)	(963)	(1,019)	(999)
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 in 20/21 plus 2% in later years
Council Tax:	2% in 21/22 onwards
Council Tax Base:	Increase of 580 Band D equivalent properties from 21/22, 480 from 27/28
Interest Receipts:	£188,000 in 21/22 onwards
Property Investment Strategy:	£1.468m in 21/22, £1.508m in 22/23, £1.558m from 23/24, £1.655m from 26/27, £1.696m from 29/30
Pay award:	2% in 21/22 onwards
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

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New Growth and Savings/Additional Income Proposals: Finance and Investment Advisory Committee

SCIA Year	No.	Description	Year	Ongoing	2021/22 Impact £000	Budget Impact £000
Growth						
2021/22	13	Property Investment Strategy: M & Co administration	2021/22	no	96	96
2021/22	14	Revenues and Benefits: replacing reduced funding from grants and reserves	2021/22	yes	60	600
Sub Total					156	696
Savings/Additional Income						
2021/22	15	Various services: reduction in office expenses	2021/22	yes	(20)	(200)
2021/22	16	Asset Maintenance: reduction	2021/22	yes	(100)	(1,000)
2021/22	17	Internal Audit: ongoing impact of 2019 staff restructure	2021/22	yes	(8)	(80)
2021/22	18	Council Tax: increasing the Empty Homes Premium to statutory limits	2021/22	yes	(4)	(40)
2021/22	19	Council Tax: removing the Empty and Unfurnished Property discount (currently one month)	2021/22	yes	(44)	(440)
Sub Total					(176)	(1,760)
Net (Savings)/Growth Total					(20)	(1,064)

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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.

SERVICE CHANGE IMPACT ASSESSMENT

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.

SERVICE CHANGE IMPACT ASSESSMENT

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.

SERVICE CHANGE IMPACT ASSESSMENT

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

SERVICE CHANGE IMPACT ASSESSMENT

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

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 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.

SERVICE CHANGE IMPACT ASSESSMENT

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

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 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.

SERVICE CHANGE IMPACT ASSESSMENT

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

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 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	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).

SERVICE CHANGE IMPACT ASSESSMENT**Proposal**

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

SERVICE CHANGE IMPACT ASSESSMENT

	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.

SERVICE CHANGE IMPACT ASSESSMENT

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.

SERVICE CHANGE IMPACT ASSESSMENT

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

SERVICE CHANGE IMPACT ASSESSMENT

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		
		Code & Description	Actual	Target
Operational Cost	n/a			
Income (SDC share)	(11,264)			
Net Cost	n/a			

Equality Impacts

The decisions recommended through this paper have a remote or low

SERVICE CHANGE IMPACT ASSESSMENT

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

2021/22 Budget Setting Timetable

Stage 1: Financial Prospects and Budget Strategy 2021/22 and Beyond	
8 September	Finance & Investment AC
17 September	Cabinet

Stage 2a: Review of Service Dashboards and Service change Impact Assessments (SCIAs)	
29 September	Housing & Health AC
6 October	People & Places AC
8 October	Improvement & Innovation AC
13 October	Cleaner & Greener AC
20 October	Development & Conservation AC
21 October	Finance & Investment AC

Stage 2b: Budget Update	
15 October	Cabinet

Stage 3: Budget Setting Meeting (Recommendations to Council)	
5 November	Cabinet

Stage 4: Budget Setting Meeting	
17 November	Council

Stage 5: Council Tax Setting	
11 February	Cabinet

Stage 6: Council Tax Setting	
23 February	Council

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

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CAPITAL PROGRAMME & ASSET MAINTENANCE 2021/24

Committee - Finance and Investment Advisory Committee - 21 October 2020

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

Status: For Decision

Key Decision: No

Executive Summary: This report sets out the proposed Capital and Asset maintenance programmes for 2021/24 together with proposed funding.

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

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Alan Mitchell, Ext.7483

Adrian Rowbotham Ext. 7153

Recommendation to Finance & Investment Advisory Committee:

That the report be noted and comments forwarded to Cabinet as part of the Budget setting 2021/22 report on the following:

- (a) The Capital Programme 2021/24 and funding set out in Appendix B.
- (b) The proposed Asset Maintenance budget of £607,000 for 2021/22.
- (c) The Capital Strategy for 2021/22, as set out in the report.

Introduction and Background

1 The Capital programme is put together following the Council's financial and corporate policies to ensure that the proposed programme satisfies one or more of the Council's corporate plan priorities:

- (a) improve efficiency and cost effectiveness of the services we provide;
- (b) buy and build new assets that help improve the way we provide services and at the same time generating return on our investments;
- (c) providing better customer service;
- (d) invest in attracting, generating and supporting business.

Agenda Item 9

Capital Bids

- 2 The new scheme bids are attached at Appendix A.
- 3 Each scheme bid document details the proposed programme and its purpose as well as the capital costs for the next 3 years. In addition, details of how the programme is to be funded, justification for the bid and any other resource implications are included in each bid document.
- 4 Appendix B summarises the overall position of existing and proposed schemes and indicates the funding sources proposed.
- 5 Schemes that have not spent in line with previously reported schedules for 2020/21 may be carried forward to 2021/22, subject to Cabinet approval and the final outturn position.
- 6 The White Oak Leisure Centre construction project is progressing following receipt of planning consent. The capital programme covers the construction of the new leisure centre but not the residential element. The total budget and funding was agreed by Council 16 April 2020.
- 7 The white Oak Residential Development report will be presented at a later meeting.
- 8 The Buckhurst 2 residential project (Burlington Mews) construction phase has completed. A report was taken to Cabinet (17 September 2020) providing an update on the progress of the development and to revise the approach to selling houses to take account of Covid-19 and to protect the investment in the properties. The anticipated capital receipts have been excluded from Table 1 as the receipts have already been allocated against the cost of the Sevenoaks Town carpark and are not available to fund other capital projects included in this report.
- 9 The Property Investment Strategy covers multiple years. In total, £50.3m has been approved by Council. During 2020/21 £2.0m has been spent to date which will provide future revenue in line with strategy criteria. A separate report on the Property Investment Strategy will be presented to this committee in January.
- 10 The redevelopment of 27-37 High Street, Swanley received planning approval in May 2020 to provide a new business hub and 17 residential units and the scheme is subject to a separate report being presented to Cabinet 15 October 2020 and Council 17 November 2020.

Capital Receipts

- 11 In the summary in table 1 below the available capital receipts have been identified which can be used to fund the capital programme.

Table 1: Capital Receipts estimates

Year	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
Capital receipts	10	3,053	1,010	10

- 12 The capital receipt estimates are based on the current disposal programme but may be subject to change.
- 13 Capital receipts will be used to finance the capital programme where possible but other sources of funding such as the Financial Plan Reserve, internal borrowing, external borrowing and the Vehicle Renewal Reserve may be used to fund specific items.

Asset Maintenance

- 14 The asset maintenance programme seeks to allocate budgets to individual areas and schemes in accordance with the asset management plan and service requirement, reflecting backlog maintenance, health & safety and income generation as priorities.
- 15 The asset maintenance programme has been reduced by £100,000 (SCIA16 21/22) to contribute to the overall revenue budget saving that is required and detailed within the other budget reports being presented. A summary review was undertaken to ensure sufficient funding is still available to maintain the Council's assets to an appropriate level but any larger items which may require additional funding will form separate funding bids.
- 16 As part of the 2016/17 budget process SCIA 8 (Playgrounds) and SCIA 9 (Toilets) temporarily reduced the available budget for 5 years. These budgets have been added back to the maintenance budget increasing them by £7,000 and £8,000 respectively.
- 17 The table below sets out the asset maintenance programme for the next 3 years. The percentage of the maintenance programme funded will reduce from 76% in 2020/21 to 64% in 2022/23 onwards.
- 18 Table 2: Total asset maintenance programme

	2020/21 £000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Budget	681	607	617	628

Capital Strategy

- 19 The revised CIPFA Code require, for 2019/20 onwards, 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.
- 20 The aim of this Capital Strategy is to ensure that all Members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance and risk appetite.
- 21 The Capital Strategy has direct links to other key strategic and policy documents, such as:
- The Council Plan;
 - The Ten Year Budget and Budget Strategy;
 - The Local Plan;
 - Asset Management Plan;
 - Treasury Management Policy And Strategy;
 - Property Investment Strategy; and
 - Capital Programme
- 22 These key strategic and policy documents are reported separately to Members and are not reproduced within the Capital Strategy.
- 23 The Capital Strategy complements the above documents by defining the approach, structure and governance for the effective financing and Management of the Council's capital investment needs and ambitions. It outlines how the Council's existing capital resources will be effectively managed to meet the planned needs and opportunities and for meeting the ambitions for future longer term capital investments.
- 24 It is intended that the Capital Strategy will be reviewed annually to reflect changes in circumstances.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues. The Council must agree a Capital Programme as part of its financial plan and ensure that resources are available to fund it.

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.

It is a statutory duty to provide Disabled Facility Grants to the older and or disabled residents in the district.

Appendices

Appendix A - Scheme Bid Documents

Appendix B - Proposed 2021/24 capital programme

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance and Trading

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Capital Programme 2021/24

Scheme Bid Document - Scheme: Capital Programme Feasibility Studies

Description: SDC has an ambitious capital development agenda. The agenda’s programme is not only aimed at regenerating parts of the District, but also generating future income streams for the Council and delivering on the District’s housing needs.

This bid is to provide seed funding to explore options and undertake necessary feasibility work to enable the Council to make informed strategic investment decisions. Typical work that this fund will be used for includes amongst others: Concept designs, feasibility studies, utility surveys, legal searches, feasibility studies, development and financial appraisals, planning studies. On average it will support the product development of circa 5 schemes a year before these individual schemes received Cabinet/Council approval. Should the schemes be progressed, these upfront costs could be incorporated into the budgets of the respective projects.

Service : Property and Commercial

Portfolio Holder/Chief Officer : Cllr Peter Fleming; Detlev Munster

Financials :

CAPITAL COSTS	TOTAL	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Gross scheme cost	2,280	1,150	830	350
External Contributions (list)				

Net scheme cost	2,280	1,150	830	350
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ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost

Funding Source : The funding sources will be dependant on the funding for each scheme. Aborted schemes will not be capitalised and any costs will be need to funded from existing revenue budgets

Agenda Item 9

Other Resource Implications :	
Staffing	Funding will be used to capitalise allowable salaries within the Property team. These are the salaries of those officers that are directly involved with the delivery of the projects.
Asset Values	Funding will be used towards projects that will add value to the Council's property portfolio which should appreciate in value over time.

Justification:

This funding will be used towards capital projects that support the Council's Property Investment Strategy, the Council Plan, Corporate Plan and Economic Development Strategy, and the West Kent Partnership Economic Priorities for Growth.

The assessment of options and the preparation of development appraisals and feasibility studies are a necessity to ensure that the Council is able to make an informed decision, before it commits future significant funds of money. Undertaking such due diligence is a requirement under the Prudential Code, IFRS16, and the Council's Risk Management Strategy, and complies with S123 of the LGA.

Capital Programme 2021/24

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	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Gross scheme cost	6,459	3,457	1,443	1,559
External Contributions (list)				

Net scheme cost	6,459	3,457	1,443	1,559
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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

Capital Programme 2021/24

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	2021/22	2022/23	2023/24
	TOTAL			
	£000	£000	£000	£000
Gross scheme cost	3,300	1,100	1,100	1,100
External Contributions (list)				
Better Care Fund, via KCC	(3,300)	(1,100)	(1,100)	(1,100)
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).

Capital Programme 2021-24

Scheme	Funding Source	Bid Form								
					2020/21	2021/22	2022/23	2023/24		
			Total approved scheme £000	Previous years spend £000	Forecast £000	Budget £000	Budget £000	Budget £000	Total over programme period £000	
People & Places										
White Oak Leisure Centre	Capital Receipts & External funding,	Previous approval	19,870	857	7,091	10,352	1,452	100	19,852	
White Oak Leisure centre - Orchards Academy	External borrowing	Previous approval	130		30	100			130	
Burlington Mews	Capital Receipts	Previous approval				79	8	8	95	
27-37 Swanley High street (meeting Point)	Capital Receipts & External funding	Separate report 1 & separate report			800	3,000	1,824		5,624	
White Oak Residential	Capital Receipts				50	50			100	
Bevan Place	Mixed	1			20	330			350	
Edenbridge	Mixed	1			20	330			350	
Sevenoaks Town Centre Regeneration	Mixed	1			30	320			350	
Hollybush	Mixed	1					350		350	
Spitalcross	Mixed	1					50		50	
Otford Park & Ride	Mixed	1					200		200	
Westerham	Mixed	1					50		50	
Kemsing	Mixed	1						350	350	
Lulingstone	Mixed	1				20	30		50	
Other Feasibility & Due Dilliegncce costs	Mixed	1				100	150	-	250	
Finance and Trading										
Commercial vehicle replacements	Vehicle Renewal Res.	2	-	-	549	563	563	563	2,238	
Disabled Facilities Grants (gross)	Better Care Fund	3	-	-	1,100	1,100	1,100	1,100	4,400	
Property Investment Strategy	Prop. Inv. Reserve	Previous approval	50,300	29,505	5,000	5,000	5,000	5,795	50,300	
TOTAL						14,690	21,344	10,777	7,916	85,089

Funding Sources						
Capital Receipts			7,021	4,041	3,284	108
Financial Plan Reserve & Cap Receipts						
Vehicle Renewal Reserve			549	563	563	563
Property Investment Strategy ***			5,000	5,000	5,000	5,795
Better Care Fund (KCC)			1,100	1,100	1,100	1,100
Internal Borrowing						
Mixed funding depending on scheme funding			120	1,050	680	350
External Borrowing				8,000		
Grant Funding			900	1,490		
			14,690	21,244	10,627	7,916

*** Part will be funded from Capital Receipts, Reserves, Internal Borrowing and External Borrowing.

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RISKS AND ASSUMPTIONS FOR BUDGET 2021/22

Committee - Finance and Investment Advisory Committee - 21 October 2020

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

Status: For Consideration

Key Decision: No

Executive Summary: This report sets out the financial assumptions included in the 10-year budget.

This report supports the Key Aim of: effective management of the Council's 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 comments in the attached appendices be forwarded to Cabinet as part of the Budget Setting 2021/22 report.

Introduction and Background

- 1 The reports presented as part of the 2021/22 Budget Setting Process have provided information on the key assumptions and risks included within the draft budget proposals. This risk assessment report provides more detail on these assumptions and risks.
- 2 The risk assessment is included at Appendix A. The 10-year budget is also attached for information. (Appendix B).

Key Financial Assumptions

- 3 The financial assumptions included in the 10-year budget are as follows:
 - (a) Government Support: no Revenue Support Grant or New Homes Bonus in all years.
 - (b) Council Tax: 2% in 21/22 and future years.
 - (c) Business Rates Retention safety-net in 20/21 plus 2% in later years.

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- (d) Interest Receipts: £188,000 from 21/22.
- (e) Pay Costs: 2.0% in all years.
- (f) Non-pay costs: 2.25% in all years.
- (g) Income: 2.5% in all years except for off-street car parks which are an average of 3.5% from 2019/20 -23/24. Note that this is expected to be revised for 2021/22 due to the ongoing impacts on Car Parking usage due to the COVID-19 pandemic.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues. The Council must agree a Capital Programme as part of its financial plan and ensure that resources are available to fund it.

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.

It is a statutory duty to provide Disabled Facility Grants to the older and or disabled residents in the district.

Conclusions

The financial assumptions are based on the latest available information but Members should be aware that these may change. Any changes will be included in the budget report to Cabinet on 5 December 2020.

Appendices

Appendix A - Risk Factors 2021/22

Appendix B - 10-year Budget

Background Papers

None

Adrian Rowbotham
Deputy Chief Executive and Chief Officer - Finance and Trading

Financial Risks Budget 2021/22

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

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- No matrix for risk 9, 12

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell								
1) <u>Pay Costs</u> <ul style="list-style-type: none"> Largest single item of cost. Complex drivers across the organisation. Staff recruitment and retention. 2020/21 National Pay Award was 2.75% and the level of future pay awards remains uncertain 	<ul style="list-style-type: none"> £15.5m total costs. 2% pay increase = £338k. Budget assumptions: 2% pay award in all years. 	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
2) <u>Pensions Funding</u> <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
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. Further details in 21/22 SCIA 11 	3	3	9
4) <u>Income - Building Control</u>		3	3	9		2	3	6

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell								
<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 				<ul style="list-style-type: none"> • Current year income is above target. • COVID-19 monitoring and reports 			
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. Continue to monitor. • COVID-19 monitoring and reports 	3	4	12
6) <u>Income - On-Street Parking</u> <ul style="list-style-type: none"> • General economic conditions. Legislative constraints on spending surpluses. Reverts to KCC control. • Ongoing impact of the COVID-19 pandemic. 	<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. • Further details in 21/22 SCIA 2 • Further details in 21/22 SCIA 25 	3	3	9
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 	2	2	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell								
					<ul style="list-style-type: none"> Written partnership agreements. Partnership arrangements are monitored to ensure they are still appropriate. Partners in the Environmental Health and Building Control partnerships have been informed that this Council wishes to end the partnerships. 			
8) External Funding Awards <ul style="list-style-type: none"> In the 21/22 budget 13.35 FTE are externally funded 	<ul style="list-style-type: none"> £0.6m cost funded Impact on individual projects is high 	3	2	6	<ul style="list-style-type: none"> Exit Strategies in place 	3	1	3
9) Changes in service demand <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. Further details in 21/22 SCIA 21 for the proposed 7am - 7pm office opening 	0	0	0

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell								
10) Interest Rates <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 £0.30m 21/22 budget £250k per 0.5%. 	4	2	8	<ul style="list-style-type: none"> Use of professional advisers. If internal borrowing is used for capital investment projects in 2021/22 there will be less cash earning bank interest. 	3	2	6
11) Investments <ul style="list-style-type: none"> Financial institutions going into administration. Lower balances to invest. 	<ul style="list-style-type: none"> £18.7m balance at Sept 2020 	2	5	0	<ul style="list-style-type: none"> Investment strategy regularly reviewed by FIAC. Use of professional advisers. 	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
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"> £2.2m 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

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net 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"> £11.4m 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
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. Potential changes on health responsibilities. 	<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
16) Fuel cost increases for Direct Services		5	2	10		5	1	10

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR01: Finance - Failure deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell								
<ul style="list-style-type: none"> Changes in global oil prices. 	<ul style="list-style-type: none"> 10% increase would be £60k 				<ul style="list-style-type: none"> Continue to monitor fuel usage and efficiency. Vehicle replacement programme. 			
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

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR02: Property Investment Strategy - <i>Failure to identify opportunities to meet the Property Investment Strategy</i>								
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. 	<ul style="list-style-type: none"> Capital Receipts 21/22 £3.0m, Capital Financing reserve £0.159m. (balances at Sept 2020). 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
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 undertaken pre-purchase. Purchases only made within strategy, which is kept under review. 	3	3	9
20) <u>Rental Income</u> (Non Property Investment Strategy)	<ul style="list-style-type: none"> £0.1m in 2021/22 budget 	2	2	4	<ul style="list-style-type: none"> Due diligence prior to letting to new tenants; 	1	2	2

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
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"> Property tenants unable to pay rents/length of void premises/ability to source new tenants 	Dependant on financial strength of tenants + good management to reduce impact of void periods.				tight control on rent payments			

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
SR03: Asset Management & Maintenance - Losing the ability to: a) Dispose of surplus land; b) Maintain and develop assets and land holdings; c) Secure tenants for vacant or part-vacant assets Lead Officers: Adrian Rowbotham & Detlev Munster and Alex Dawson								
21) Asset base maintenance <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 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. 	2	2	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating
<p>SR03: Asset Management & Maintenance - <i>Losing the ability to:</i></p> <p>a) <i>Dispose of surplus land;</i> b) <i>Maintain and develop assets and land holdings;</i> c) <i>Secure tenants for vacant or part-vacant assets</i></p> <p>Lead Officers: Adrian Rowbotham & Detlev Munster and Alex Dawson</p>								
					<ul style="list-style-type: none"> • Policy of reducing asset liabilities wherever possible. • Further details 21/22 SCIA 16 			
<p>2) <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"> • £4.1m forecast in 20/21 - 23/24) • Risks taken into account in the Capital Programme and Asset Maintenance report. 	3	4	12	<ul style="list-style-type: none"> • Land Owner/Planning protocols in place. • In-house property team. • Planned Property Review disposal programme. 	2	4	8

Ten Year Budget - Revenue

Appendix B

	Budget 2020/21	Plan 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	15,251	15,581	17,156	17,332	17,666	17,870	18,079	18,342	18,872	19,411	19,957
Inflation	666	616	496	503	509	515	522	529	539	547	556
Superannuation Fund deficit	0	0	0	100	0	0	50	0	0	0	0
Net savings (approved in previous years)	(358)	(6)	0	37	0	(1)	0	1	0	(1)	(1)
New growth	160	1,065	(220)	(206)	(206)	(205)	(209)	100	100	100	100
New savings/Income	(138)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	15,581	17,156	17,332	17,666	17,870	18,079	18,342	18,872	19,411	19,957	20,512
Financing Sources											
Govt Support: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(11,264)	(11,443)	(11,862)	(12,357)	(12,741)	(13,136)	(13,542)	(13,933)	(14,335)	(14,747)	(15,170)
Business Rates Retention	(2,139)	(2,182)	(2,226)	(2,271)	(2,316)	(2,362)	(2,409)	(2,457)	(2,506)	(2,556)	(2,607)
Collection Fund Deficit/(Surplus)	0	121	121	121	0	0	0	0	0	0	0
Interest Receipts	(300)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)
Property Investment Strategy Income	(1,428)	(1,468)	(1,508)	(1,558)	(1,558)	(1,558)	(1,655)	(1,655)	(1,655)	(1,696)	(1,696)
Contributions to/(from) Reserves	(378)	(365)	(175)	(161)	(604)	194	208	221	236	249	148
Total Financing	(15,509)	(15,525)	(15,838)	(16,414)	(17,407)	(17,050)	(17,586)	(18,012)	(18,448)	(18,938)	(19,513)
Budget Gap (surplus)/deficit	72	1,631	1,494	1,252	463	1,029	756	860	963	1,019	999
Contribution to/(from) Stabilisation Reserve	(72)	(1,631)	(1,494)	(1,252)	(463)	(1,029)	(756)	(860)	(963)	(1,019)	(999)
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 in 20/21 plus 2% in later years
Council Tax:	2% in 21/22 onwards
Council Tax Base:	Increase of 580 Band D equivalent properties from 21/22, 480 from 27/28
Interest Receipts:	£188,000 in 21/22 onwards
Property Investment Strategy:	£1.468m in 21/22, £1.508m in 22/23, £1.558m from 23/24, £1.655m from 26/27, £1.696m from 29/30
Pay award:	2% in 21/22 onwards
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

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Finance & Investment Advisory Committee Work Plan 2020/21 (as at 06/10/2020)

21 October 2020 (moved from 12 November 2020)	21 January 2021	25 March 2021	Summer 2021
<p>Budget 2021/22: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)</p> <p>Treasury Management Mid-Year Update 2020/21</p> <p>Financial Performance Indicators 2020/21- to the end of August 2020</p> <p>Financial Results 2020/21- to the end of August 2020</p> <p>Budget 2021/21: Risks and Assumptions</p> <p>Capital Programme and Asset Maintenance 2021/24</p>	<p>Discretionary Rate Relief</p> <p>Treasury Management Strategy</p> <p>Financial Performance Indicators 2020/21 - to the end of November 2020</p> <p>Financial Results 2020/21 - to the end of November 2020</p> <p>The Capital Strategy 2021/22</p> <p>Property Investment Strategy Update</p>	<p>Financial Performance Indicators 2020/21 - to the end of January 2021</p> <p>Financial Results 2020/21 - to the end of January 2021</p> <p>Carry Forward Requests 2020/21</p>	

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