

08 February 2024 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 31.01.24



This meeting will be livestreamed to YouTube [here](#):

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

Cabinet

Membership:



Chairman, Cllr. Thornton; Vice-Chairman, Cllr. Perry Cole
Cllrs. Dyball, Maskell, McArthur and Reay

Agenda

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

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Committee held on 18 January 2024, as a correct record	(Pages 1 - 8)	
2. Declarations of interest Any interests not already registered.		
3. Questions from Members (maximum 15 minutes)		
4. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees (if any)		
a) Referral from Scrutiny Committee held on 9 January 2023	(Pages 9 - 22)	
REPORTS ALSO CONSIDERED BY THE CABINET ADVISORY COMMITTEES		
5. Animal Welfare - Review of Fees & Charges	(Pages 23 - 34)	Colin Alden Tel: 01732 227186
6. Cost Pressures and Cost management of Capital Projects	(Pages 35 - 82)	Detlev Munster Tel: 01732 227099

7. **12 Otford Road, Sevenoaks - Business Park Development Project** (Pages 83 - 102) Detlev Munster
Tel: 01732 227099

part  and 

8. **Treasury Management Strategy 2024/25** (Pages 103 - 150) Jessica Booth
Tel: 01732 227436




Report to Cabinet

9. **Budget and Council Tax Setting 2024/25** (Pages 151 - 256) Adrian Rowbotham
Tel: 01732 227153



 Indicates a Key Decision

 indicates a matter to be referred to Council

EXEMPT INFORMATION

Recommendation: That, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting when considering Appendix B and C of Agenda item 7 above, on the grounds that likely disclosure of exempt information is involved as defined by Schedule 12A, paragraph 3 (information relating to the financial or business affairs of any particular person including the authority holding that information.))

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

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

CABINET

Minutes of the meeting held on 18 January 2024 commencing at 7.00 pm

Present: Cllr. Thornton (Chairman)

Cllr. Perry Cole (Vice Chairman)

Cllrs. Dyball, Maskell, McArthur and Reay

Cllrs. Bulford, Granville, Harrison, Leaman, Purves, Robinson, Streatfeild, Varley, and Williams were also present.

66. Minutes

Resolved: That the Minute of the Cabinet meeting held on 14 December 2023, be approved and signed by the Chairman as a correct record, subject to the addition of the wording under Minute 53, paragraph 3 to include: "along with the possibility of holding an additional local plan drop in session." so the paragraph reads as: "In response to questions regarding the local plan, housing needs assessment and exception sites, Members were advised that a full written response would be provided, along with an answer to the possibility of holding an additional local plan drop in session." And to include an additional paragraph 4, "It was confirmed by the Portfolio Holder that Members would receive detailed analysis of financial and other implications for each leisure centre option."

67. Declarations of interest

Cllr Perry Cole declared for reasons of transparency that for Minute item 73 Discretionary rate relief, he was a Member of Hartley Parish Council and all parish councillors were trustees of the village hall. He was also the Chair of the village Hall Management Committee.

68. Questions from Members (maximum 15 minutes)

In response to a question regarding housing figures for the local plan, the Portfolio Holder suggested that the information he had been provided with indicated that the revisions to the National Planning Policy Framework (NPPF) had not significantly changed the requirements. The local plan had started with an evidence base and it would continue to be based on the evidence. The Portfolio Holder requested the Chief Officer produce a detailed written response to be provided to all Members and the local MP.

In response to a question regarding utility companies and planning and any lessons that could be learned from past recent experience regarding the water companies and a local housing development, the Deputy Chief Executive and Chief Officer - Planning

and Regulatory Services invited the details to be sent to him so he could provide a full written response to Members.

In response to a question regarding solar panels on Council owned car parks, the Chairman and Portfolio Holder advised that they were not aware of any current plans, but with the Council's commitment to NetZero would take the question away and look into the feasibility with officers.

CHANGE IN ORDER OF AGENDA ITEMS

The Chairman, with the Committee's agreement, brought forward consideration of agenda item 10 (Minute 72) to take place after agenda item 6 (Minute 71)

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

There were none.

70. Budget Update 2024/25

The Portfolio Holder for Finance & Investment presented the report which was stage 4 of the 2024/25 budget setting process. He advised that at the last Cabinet meeting on 14 December, after the proposed Service Change Impact Assessment (SCIA's) had been supported, there remained an annual budget gap of £656,000. Cabinet requested that officers looked for further savings/additional income options focused on a number of areas.

He was pleased to report that if the proposed SCIA's in this report were supported this evening, a balanced 10-year budget would once again be able to be presented to Council next month.

He further advised that it was important to recognise that this budget process has been the toughest for many years as can be seen from the list of savings, and some difficult decisions have had to be made but this achievement and our 10-year budget approach continues to put Sevenoaks District Council in a strong financial position that other councils would wish to have.

The Deputy Chief Executive and Chief Officer - Finance & Trading set out the main reasons for the changes since the last report. The changes included, increasing the April pay award assumptions to 4%, the Council Tax Base had increased by less than assumed resulting in less council tax income, and the provisional Local Government Finance Settlement announced in December was better than expected but it only related to one year, and therefore the future landscape remained uncertain. There were also increased assumptions for income, changes to the basis for budgeting the amount of Business Rates retained, and it was highlighted that some changes resulted in greater risks than previously included.

The Cabinet were asked to consider the SCIA's in Appendix E.

Cabinet - 18 January 2024

The Cabinet discussed the SCIAS and the Portfolio Holders advised Cabinet that they had been consulted and supported the proposals. Members were advised that although there would be reductions to funding for some external services, the Council were providing their own resources and advice.

Public Sector Equality Duty

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

Resolved: That SCIAS 15, 16 and 17 (24/25), as set out in Appendix E, be supported and included in the budget. No further instructions were given to officers as a balanced 10-year budget had now been achieved.

71. Calculation of Council Tax Base 2024-25

The Senior Principal Accountant presented the report which set out that as part of the budget cycle, the council tax base for the district for tax setting purposes for the coming financial year was required to be calculated. It was then required to be approved by Cabinet and Full Council. The tax base was determined by converting all property and occupancy data to the equivalent number of band D properties and this figure is used to calculate the band D council tax charge.

The report set out that the current tax base for 2023/24 was 51,990.30 and the tax base for 2024/25 would be 52,394.75 which was an increase of 0.78%. Collection rates had improved since Covid and therefore it was proposed to keep the expected collection rate at 99.4%.

The increased tax base had been fed into the financial plan, and so assuming an increase in band D of 2.97% , just over £12.7m would be raised. The timetable leading up to setting the council tax for 2024/25 was also included in the report. The major precepting authorities' council taxes should be known in advance of this Council setting the tax for the whole District on 20 February 2024.

Members considered the report.

Resolved: That it be recommended to Council that

- (a) the report of the Deputy Chief Executive and Chief Officer - Finance & Trading for the calculation of the Council's tax base for the year 2024/25 be approved;
- (b) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2024/25 shall be 52,394.75;

- (c) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2024/25 for the calculation of local precepts shall be:

Parish	Tax Base
Ash-cum-Ridley	2,496.10
Badgers Mount	339.10
Brasted	802.60
Chevening	1,473.40
Chiddingstone	624.10
Cowden	461.90
Crockenhill	673.40
Dunton Green	1,364.60
Edenbridge	3,980.90
Eynsford	966.70
Farningham	676.20
Fawkham	341.30
Halstead	850.70
Hartley	2,602.30
Hever	665.00
Hextable	1,695.90
Horton Kirby & South Darenth	1,305.40
Kemsing	1,895.20
Knockholt	650.70
Leigh	957.90
Otford	1,743.10
Penshurst	844.00
Riverhead	1,282.30
Seal	1,364.70
Sevenoaks Town	9,952.00
Sevenoaks Weald	633.70
Shoreham	731.20
Sundridge	944.90
Swanley	5,849.10
Westerham	2,108.90
West Kingsdown	2,433.70

- (d) any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting shall not be treated as special expenses for the purposes of section 35 of the Local Government Finance Act 1992.

72. Financial Monitoring 2023/24 - to the end of November 2023

The Portfolio Holder for Finance & Investment presented the report which set out the Council's financial position to November 2023. The forecast at the last Cabinet meeting showed a forecast of a £971,000 unfavourable variance. Since then officers had implemented a number of actions to reduce the forecast down to an unfavourable variance of £334,000 but there was still a gap to address.

The major reasons for the unfavourable forecast were included in the early indications report as presented in July but he stated that it could clearly be seen the Officers had undertaken a significant amount of work to address a very difficult financial position.

The Senior Principal Accountant highlighted some of the variances. The 2023/24 pay award equated to an average of increase of 5.7%. The total cost above budget assumptions was £597,000. There were also additional costs resulting from planning appeals. Measures had been implemented to reduce the variance in Direct Services. Interest receipts had a favourable variance, as interest rates were high. Vacancies in positions that were not being filled were used to offset some other areas. £1.3m of the £1.8m budget for the interim leisure centre contract was forecast to arise this year, with the remainder to be accounted for in 2024/25, but this would have nil effect on the bottom line as the cost was being funded initially from the Budget Stabilisation Reserve.

The capital programme was forecast to be underspent by £22.4 million against a budget of £33m, mainly due to delays following the refusal of planning permission for the development at Bevan Place.

Members discussed the report.

Resolved: That the report be noted.

73. Discretionary Rate Relief

The Portfolio Holder presented the report which set out the proposals for altering the criteria for awarding discretionary rate relief, and for continuing the awards from 2023/24 for a second year. The Non-Domestic Rating Act 2023, and associated regulations meant that rural rate relief assess no longer required "topping-up" from 50% relief, and so the criteria only applied to rate relief for non-profit organisations, and top-up relief for charities and community amateur sport clubs. The total relief requested was around £213,000.

Members considered the report.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the public sector equality duty.

Resolved: That

- a) the criteria for granting discretionary rate relief from 1 April 2024, as set out in the appendix to the minutes, be approved; and
- b) the proposals for granting relief from business rates for 2024/25, as set out in the appendix to the minutes, be approved.

74. Scrap Metal Dealer Licence Fees 2024 - 25

The Portfolio Holder for Cleaner & Greener presented the report which outlined the proposed fees for applications for scrap metal licences. She set the history of the scrap metal dealer licences and the different types of licenses. The fees for 2024/25 were proposed to include an inflationary cost of 7% and staffing costs. The fees were set out on a cost recovery basis, and provided the authority with the funds needed to administer the legislation and ensure compliance. The Cleaner & Greener Advisory Committee considered the report and supported the recommendation to Cabinet.

Members considered the report.

Public Sector Equality Duty

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

Resolved: That the fees as set out below be approved:

Type of Application	2024/2025 Fee
Site Licence – Grant (3 years)	£570
Site Licence – Renewal (3 years)	£481
Collectors Licence Grant/Renewal (3 years)	£347
Minor administrative change to licence	£39
Variation – change of site manager	£207
Variation from collector to site licence	£246
Variation from site to collector licence	£160

75. Licensing - Review of Pre-application advice and other Admin fees

The Portfolio Holder for Cleaner & Greener presented the report, which set out the proposed fees for the pre-application advice service for 2024-25. The fees would include an inflationary cost of 7%. The Cleaner & Greener Advisory Committee had considered the same report and had recommended that the fees be agreed.

Public Sector Equality Duty

Cabinet - 18 January 2024

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

Resolved: That the fees as set out below for the pre-application advice service and other admin fees, be agreed.

<p>Covers applications for:</p> <p>Licensing Act 2003</p> <ul style="list-style-type: none"> • new premises licences • full variations of premises licence • new club premises certificate (CPC) • variation of CPC • provisional statement <p>Gambling Act 2005</p> <ul style="list-style-type: none"> • new and variation applications 	<p>Fee 2024/25</p>
<p>Up to one hour of advice regarding licence applications, including assistance in completing form (hourly rate)</p>	<p>£80.00</p>
<p>site visit (to give advice) – up to one hour</p>	<p>£107.00</p>
<p>Licensing Act 2003 - Minor variations – up to 30 mins advice on applications (including assessment as to whether suitable as a minor, suggestion on wording of proposed conditions, help completing application etc)</p>	<p>£38</p>
<p>Hub Team</p>	
<p>Licensing Act 2003</p>	<p>Fee 2024/25</p>
<p>In depth assistance in completing application forms and advice on correct documentation for:</p> <ul style="list-style-type: none"> • Transfer • Variation of Designated premises supervisor • Personal licence 	<p>£43.00</p>
<p>In depth assistance in completing Temporary event notices and advice on limits etc</p>	<p>£16.00</p>
<p>London Local Authorities Act 1991 part V – Special Treatments - in depth assistance on licence applications per hour</p>	<p>£50.00</p>
<p>Other admin charges</p>	<p>Fee 2024/25</p>
<p>Upon request of licence holder, amend</p>	<p>£11.00</p>

and re-issue invoice for statutory annual fee	
Upon request of licence holder, amend contact details for lottery registration	£11.00

76. Property Investment Strategy Update

The Portfolio Holder for Finance & Investment Advisory Committee presented the report which set out the progress of the Property Investment Strategy to date and looked at the future direction of the strategy. He advised that the Finance & Investment Advisory Committee discussed the item and were reminded of the purpose of the strategy and the limitations that were now in place and supported the recommendation to Cabinet.

The Deputy Chief Executive and Chief Officer - Finance & Trading advised that the Property Investment Strategy was approved by Council on 22 July 2014 to support the aims of the council becoming more financially self-sufficient as Government Support continued to reduce.

The acquisitions to date have helped the council achieve this aim. He advised that due to Government changes in the way councils could access Public Works Loan Board (PWLB) borrowing and the changes to CIPFA’s Prudential Code, the Property Investment Strategy was no longer included in the capital programme therefore the Council could not currently borrow to make any more property investments purely for yield.

The Property Investment Strategy income was made up of income from the investment properties owned by SDC, interest from loans to Quercus 7, a dividend from Quercus 7, less an annual contribution to the Investment Property Maintenance Reserve. Members attention was brought to Appendix A, which contained the current Property Investment Strategy criteria, and it was noted that further investments were not currently viable.

The Cabinet discussed the report, noting the comments made by Finance & Investment Advisory Committee.

Resolved: That the report be noted, with no changes to the criteria.

IMPLEMENTATION OF DECISIONS

This notice was published on 22 January 2024 . The decisions contained in Minute 70, 72,73, 74 and 75 take effect immediately. The decisions contained in Minutes 71 and 76 are references to Council.

THE MEETING WAS CONCLUDED AT 8.02 PM

CHAIRMAN

Item 4 – Referral from Scrutiny Committee

The attached report was considered by Scrutiny Committee on 9 January 2023. The relevant minute extract is below.

Scrutiny Committee (9 January 2024, Minute 31 – Final report of the Homelessness in-depth Scrutiny Working Group)

The Chairman of the working group, introduced the report and thanked Officers and the working group. He highlighted some key elements of the report, which included high temporary accommodation net costs, impact of out of district placements, key performance indicators and customer satisfaction.

The Committee discussed the recommendations within the report.

Resolved: That it be recommended to Cabinet that

- a) a KPI for all applicants being offered a homelessness assessment within 10 working days of an application, when an applicant has submitted all the required documentation for the assessment to be completed, be implemented;
- b) review whether the current staffing levels of the housing advice and support team are suitable to deliver good support to applicants and to be confident of meeting Recommendation A;
- c) consider extending the Corporate Satisfaction Survey, where possible, for applicants who contact the Council about housing matters;
- d) When monitoring the Personal Housing Plans with the applicant, SDC must ensure that the applicant understands the homeless process and SDC should seek feedback to ensure the process is as smooth as possible and to identify continuous improvements to the service;
- e) the SDC HERO service, housing advice and homelessness website pages, be reviewed to ensure that advice and guidance is readily available and details the way people can make an application and contact the Council for urgent assistance;
- f) an annual review of the incentives that Sevenoaks Landlords Hub can offer (dependent on funding availability, landlord incentives are funded by the Homelessness Prevention Grant) to increase the number of private sector landlords working with the Council, be undertaken;
- g) as part of the Housing Allocations Policy review consider the viability of placing customers in permanent accommodation an hour away from their support networks, and whether this could be reduced to 45 or even just 30 minutes;

Agenda Item 4a

- h) ensure all staff through the Council's DAHA Accreditation process receives domestic abuse awareness training in order to further support individuals seeking council support from domestic abuse;
- i) a note be sent out to all Councillors of SDC by the Housing Team identifying how Councillors can make enquiries or escalate housing issues for review by the Housing Team, subject to the applicant's written consent; and
- j) all avenues to ensure the increased delivery of affordable housing within the District and include a KPI to show progress in reducing the numbers of households placed in temporary accommodation outside of the District, be explored.

REPORT OF THE IN-DEPTH SCRUTINY WORKING GROUP

Scrutiny Committee – 9 January 2024

Status: For Consideration

Key Decision: No

Executive Summary: This report presents the outcome of the Members Working Group on the challenges and measures relating to homelessness prevention.

Contact Officer: Phil Magee, Ext 7305

Recommendation to Scrutiny Committee:

That the Scrutiny Committee consider the report and work of the In-Depth Scrutiny Working Group; and recommend the following additional measures to Cabinet:

- a) New Key Performance Indicators for residents awaiting homeless assessment after the initial triage process
- b) Additional incentives for landlords to join schemes
- c) Satisfaction Survey for customers
- d) Review of cost of placing customers further away from their facilities

Recommendation to Cabinet: To consider the recommendations of the Scrutiny Homelessness Working Group

Reason for recommendation: To progress the recommendations of the Member working group.

Introduction and Background

- 1 At its meeting on 6 July 2023, the Scrutiny Committee resolved to set up an In-depth Scrutiny Working Group to evaluate the challenges and available measures relating to homelessness prevention, including the approach and sustainability of out-of-district placements.
- 2 The Working Group was made up of the following members of the Scrutiny Committee, and one Member from outside of the Committee:
Cllr Horwood (Chairman)

Agenda Item 4a

Cllr Baker

Cllr Leaman

Cllr Manston

Cllr Scott (co-opted)

- 3 The findings, conclusions, and recommendations of the working group are set out in Appendix A.

Key Implications

Financial

Sevenoaks District Council operates within a balanced, 10 year budget. Any recommendations would therefore need to be subject to further investigation to remain within the current allocated budgets.

Legal Implications and Risk Assessment

No relevant legal implications or Risk Assessment

Equality Assessment

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

Net Zero Implications

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

Appendices

Appendix A - Report of the Homelessness Prevention Working Group (To Follow)

Background Papers

None

Scrutiny Working Group – January 2024

This report is to consider the challenges and available measures relating to homelessness prevention including the approach and suitability of out of district placements at Sevenoaks District Council.

Key Recommendations:

1. Implementing a KPI for all applicants being offered a homelessness assessment within 10 working days of an application, when an applicant has submitted all the required documentation for the assessment to be completed
2. To review whether the current staffing levels of the housing advice and support team are suitable to deliver good support to applicants and to be confident of meeting Recommendation A
3. The Council should consider extending the Corporate Satisfaction Survey, where possible, for applicants who contact the Council about housing matters
4. When monitoring the Personal Housing Plans with the applicant, SDC must ensure that the applicant understands the homeless process and SDC should seek feedback to ensure the process is as smooth as possible and to identify continuous improvements to the service
5. Reviewing the SDC HERO service, housing advice and homelessness website pages to ensure that advice and guidance is readily available and details the way people can make an application and contact the Council for urgent assistance
6. Undertake an annual review of the incentives that Sevenoaks Landlords Hub can offer (dependent on funding availability, landlord incentives are funded by the Homelessness Prevention Grant) to increase the number of private sector landlords working with the Council
7. As part of the Housing Allocations Policy review consider the viability of placing customers in permanent accommodation an hour away from their support networks, and whether this could be reduced to 45 or even just 30 minutes
8. Ensuring all staff through the Council's DAHA Accreditation process receives domestic abuse awareness training in order to further support individuals seeking council support from domestic abuse
9. A note be sent out to all Councillors of SDC by the Housing Team identifying how Councillors can make enquiries or escalate housing issues for review by the Housing Team, subject to the applicant's written consent
10. Explore all avenues to ensure the increased delivery of affordable housing within the District and include a KPI to show progress in reducing the numbers of households placed in temporary accommodation outside of the District.

Background

- There are 104 households currently placed in all types of Emergency and Temporary Accommodation in November 2023, the net cost to SDC of supporting those households was £61,560 for that month. The annual net cost of providing temporary accommodation is over £600,000 per year to SDC.
- However, the Council has negotiated the use of up to 46 properties for temporary accommodation use from West Kent Housing Association (WKHA) and Moat, which minimises the Council's overall spend. It is imperative that the District's largest housing associations retain this commitment to providing temporary accommodation, as the long-term solution lies in them committing to delivering more social housing in the District to help reduce homelessness.
- As at December 2023 there were currently 895 live housing register applications within allocated bands. It should be noted that the management of the Housing Register was transferred from West Kent Housing Association (WKHA) to Sevenoaks District Council in 2020. In 2013, WKHA oversaw an average of 2,018 live housing register applications.

Agenda Item 4a

1) Support to individuals experiencing homelessness

The working group explored the various support offerings available to people approaching the Council for support in relation to homelessness. This included, but was not limited to:

- Application to the Housing Register, with support to find permanent accommodation
- Work by the Council to liaise with existing landlords to understand the reasons for the eviction and explore any assistance to the tenant or landlord to allow the tenant to remain in the property
- Financial support to help find private accommodation, including a repayable loan in advance for rent or deposit scheme.
- Access to the HERO Service for 1-2-1 support and advice, and to explore benefit entitlement and support to prevent residents from becoming homeless.
- Specialist support documents for Armed Forces Veterans, Care Leavers, Victims of Domestic Abuse, and those who are undertaking substance misuse.

Whilst it was evident there is a lot of support available to people to find alternative accommodation, some members expressed concern the level of customer service was not consistent nor tailored to each application. From anecdotal and personal experience, some members expressed concern that some applicants may find the application process incredibly overwhelming and confusing.

Through personal experience of supporting residents with homelessness applications, a member also highlighted errors on the Kent Home Choice website (the online homelessness application process) which further would confuse applicants. These errors ranged from not allowing certain documents to be uploaded to the website, to repeatedly asking for documents which had already been emailed to the correct team.

It was also highlighted that some applicants are currently waiting around 3 weeks for a housing assessment, with some residents only offered an appointment to determine if the Council had a homelessness duty to support the applicant the day before. Members felt that this causes unnecessary stress and worry, particularly as applicants may not be able to make alternative plans if the Council does not owe them a homelessness duty to help. The delays in undertaking a housing assessment were attributed to staff sickness and vacancies within the team; however as it appears 2-3 weeks has been typical for a while, we would suggest reviewing the team's capacity.

Finally, it is not clear what 'turnaround' times are for homelessness applications - ie whether someone should contact the emergency duty officer by telephone if they are due to become homeless within three working days, or complete the online form. Our websites and information should clearly state this is necessary to ensure all applications are picked up in a very timely manner.

In order to address these concerns, the Working Group recommends:

- Implementing a KPI for all applicants being offered a homelessness assessment within 10 working days of an application when an applicant has submitted all the required documentation for the assessment to be completed
- To review whether the current staffing levels of the housing advice and support team are suitable to deliver good support to applicants and to be confident of meeting Recommendation A
- The Council should consider extending the Corporate Satisfaction Survey, where possible, for applicants who contact the Council about housing matters.
- When monitoring the Personal Housing Plans with the applicant, SDC must ensure that the applicant understands the homeless process and SDC should seek feedback to ensure the process is as smooth as possible and to identify continuous improvements to the service
- Reviewing the SDC HERO service, housing advice and homelessness website pages to ensure that advice and guidance is readily available and details the way people in an urgent need can make an application and contact the Council for assistance

2) Working with private landlords to secure alternative accommodation for those on the housing register

Recognising the lack of available properties within Sevenoaks District, Sevenoaks District Council works with private landlords to support those on the housing register to move into.

This includes offering and managing a 'Sevenoaks Landlords Hub' to incentivise landlords to work with the Council, for example paying for gas safety certificates, property inspection, and up to £1,000 for signing up to a 12-month tenancy. Although this has had some successes, it still has not attracted the numbers of properties required to support those on the housing register, nor significantly increasing the amount of in-district emergency placements.

To address this, the Working Group recommends:

- Undertake an annual review of the incentives that Sevenoaks Landlords Hub can offer (dependent on funding availability, landlord incentives are funded by the Homelessness Prevention Grant) to increase the number of private sector landlords working with the Council

3) Suitability of temporary accommodation for families and victims of domestic abuse

The group considered the availability of temporary accommodation offered. It is noted that there is a balance to be had in ensuring not too many properties are left empty for periods of a time, with being able to provide temporary accommodation when needed. This has however led to an increase in out of District placements.

Concerns were raised about experience of Councillors whose residents had reported the unsuitability of temporary accommodation, both in terms of quality and sharing bathrooms.

It was confirmed that the Council will always seek to avoid placing families with children, pregnant women into bed and breakfast accommodation with shared facilities. In the unusual event that such a placement cannot be avoided, the household will be moved to self-contained emergency accommodation as soon as possible and within six weeks of initial placement.

All the accommodation provided by West Kent Housing Association and Moat meets their approved Void Standards. Both Housing Associations are governed by the Housing Regulator and are required to meet the decent homes standards. The Council only works with reputable providers to ensure that the necessary checks and certificates are in place.

It was confirmed that in 2022-2023 and to date for this financial year, SDC had not received any complaints regarding the quality of temporary accommodation.

It was also raised that there were concerns about the negative effect out of District placements can have on individuals' lives, particularly away from places of employment, schools and support networks. It was confirmed that SDC would always seek to place individuals in temporary accommodation within the District in the first instance. However, should this not be available, temporary accommodation within the District will try to be secured as soon as possible, even if it means the individual having to be placed some time away outside of the District. There was also concern about eventual permanent accommodation offers being allowed up to an hour away from existing support networks that also create the same problem, with refusal potentially leading to removal from the housing register. It was asked that this be reviewed, as members felt an hour per way away from schools or employment is incredibly difficult:

Agenda Item 4a

- As part of the Housing Allocations Policy review consider the viability of placing customers in permanent accommodation an hour away from their support networks, and whether this could be reduced to 45 or even just 30 minutes

Members enquired about support specifically for victims of domestic abuse, and how the Council aimed to support them. It was confirmed the Council would seek to place individuals or families in a refuge, where only those of the same sex would reside. Additional support and advice would be provided by the refuge to support the individual or family. It was also highlighted that the Council would also support individuals to stay in their own home through the installation of sanctuary schemes, including liaising with the police and other agencies to ensure legally binding mechanisms such as restraining orders had been secured. Members also heard about SDC's ongoing work through the DAHA Accreditation process, and the potential for frontline staff to receive domestic abuse awareness training. We therefore recommend this takes place, to ensure greater support and understanding for victims of domestic abuse:

- Ensuring all staff through the Council's DAHA Accreditation process receives domestic abuse awareness training in order to further support individuals seeking council support from domestic abuse

When discussing how individual councillors had responded to residents raising housing cases with them, it was highlighted not all Councillors may be aware who to approach within SDC or how to escalate housing issues when contacted. Therefore it is recommended:

- A note be sent out to all Councillors of SDC by the Housing Team identifying how Councillors can make enquiries or escalate housing issues for review by the Housing Team, subject to the applicant's written consent.

Finally, it was identified that the lack of temporary accommodation managed by WKHA, MOAT or SDC (through Quercus Housing) was a potential way of improving the situation regarding out of District placement. It was also highlighted that temporary accommodation most importantly places families away from friends, their support network, and causes stress and worry, but also can cost the Council more. It there was therefore believed that the Council should focus on reducing the amount of families in temporary accommodation outside of the District through a dedicated KPI to monitor progress:

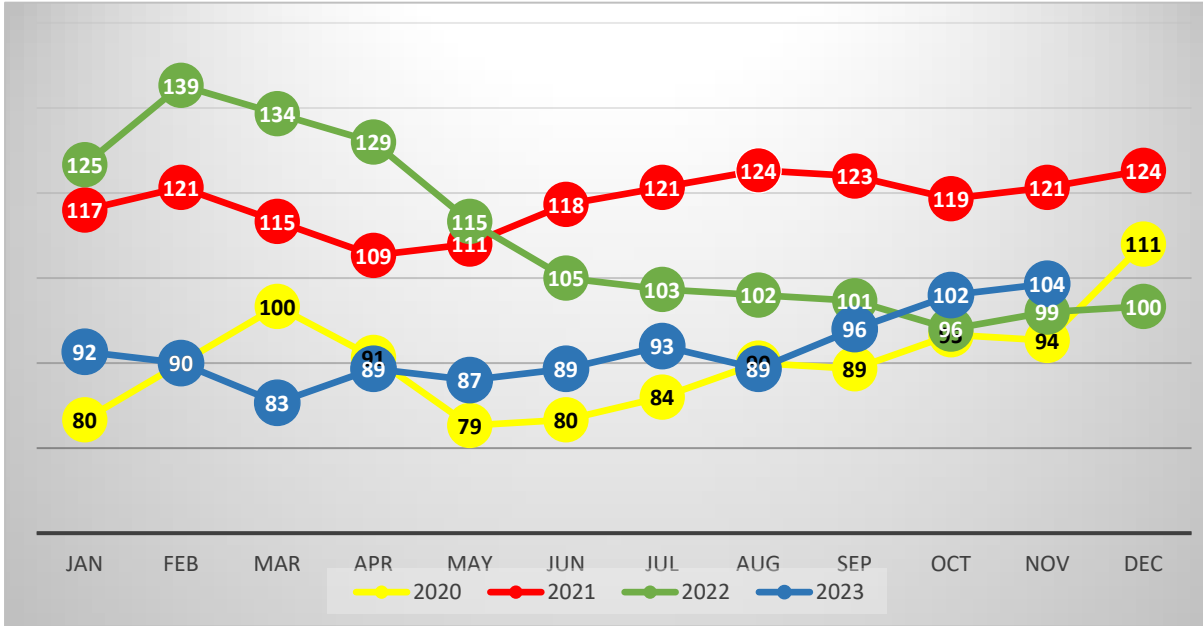
- Explore all avenues to ensure the increased delivery of affordable housing within the District and include a KPI to show progress in reducing the numbers of households placed in temporary accommodation outside of the District.

- END -

Members of the Working Group: Cllr Michael Horwood (Chair), Cllr Nina Scott, Cllr Angela Baker, Cllr Alan Leaman and Cllr Laura Manston

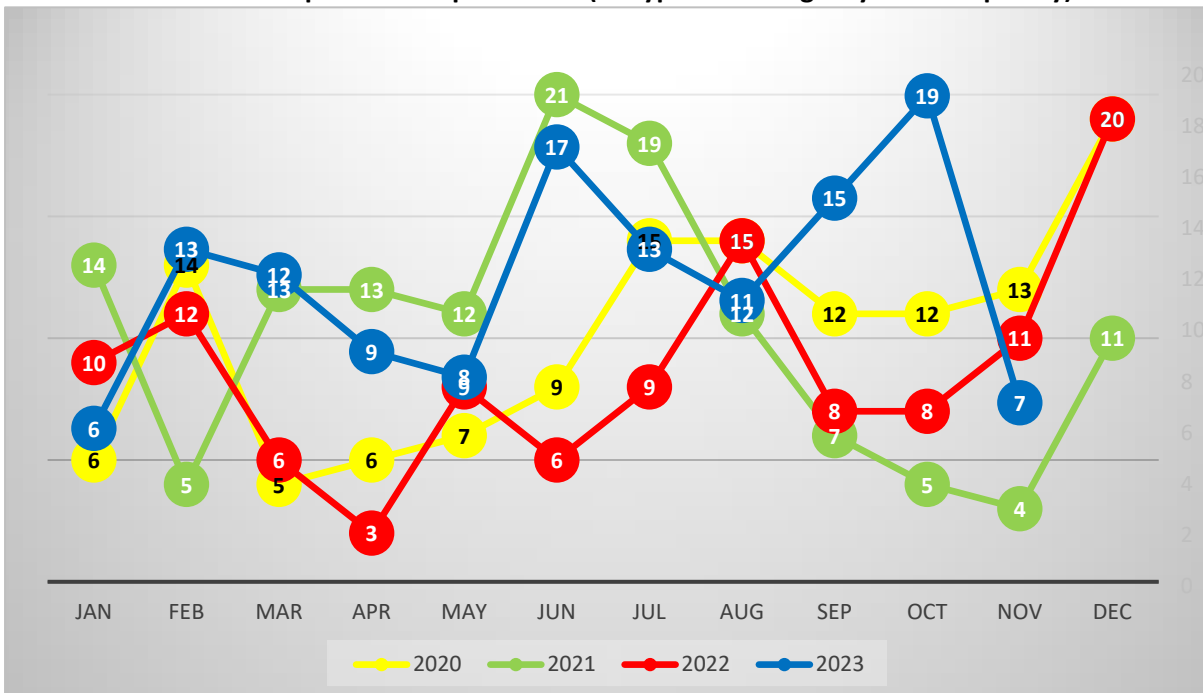
Appendix 1 - Relevant graphs

Chart 1: Number of households in all types of Emergency and Temporary Accommodation



Note: There are 104 households currently placed in all types of Emergency and Temporary Accommodation in November 2023. 54 households are placed in emergency accommodation (nightly paid) and 1 household has been placed Bed and Breakfast pending a move between accommodation units. The remainder are placed in WKHA and Moat properties and these properties are cost neutral to the Council.

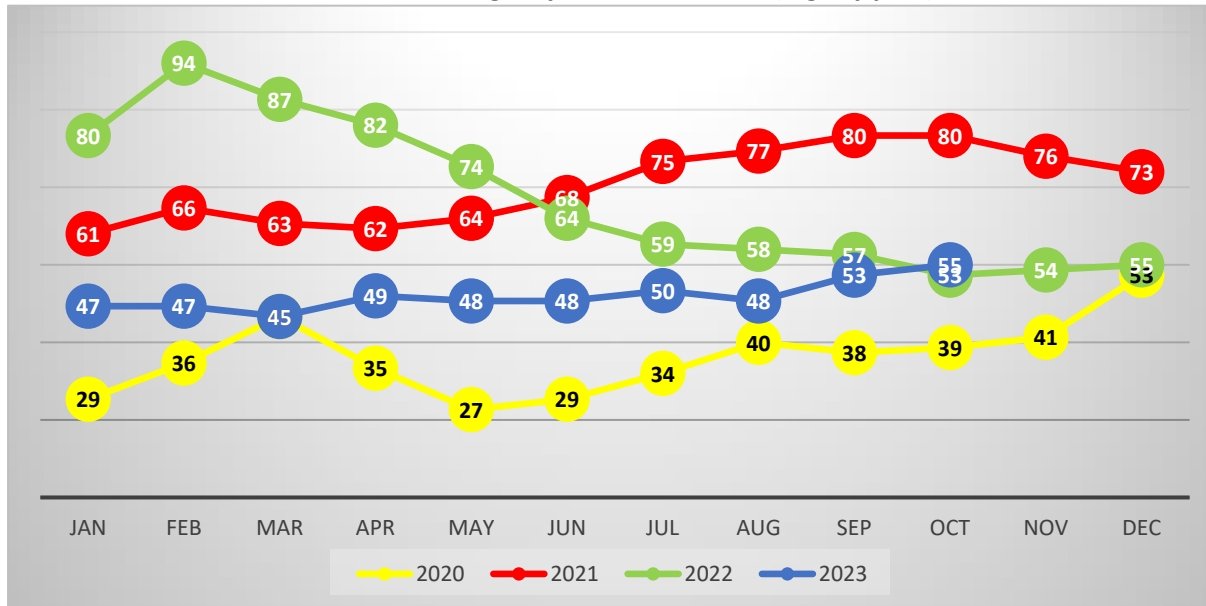
Chart 2: Number of new placements per month (all types of Emergency and Temporary)



Note: 7 new temporary accommodation placements were made in November 2023.

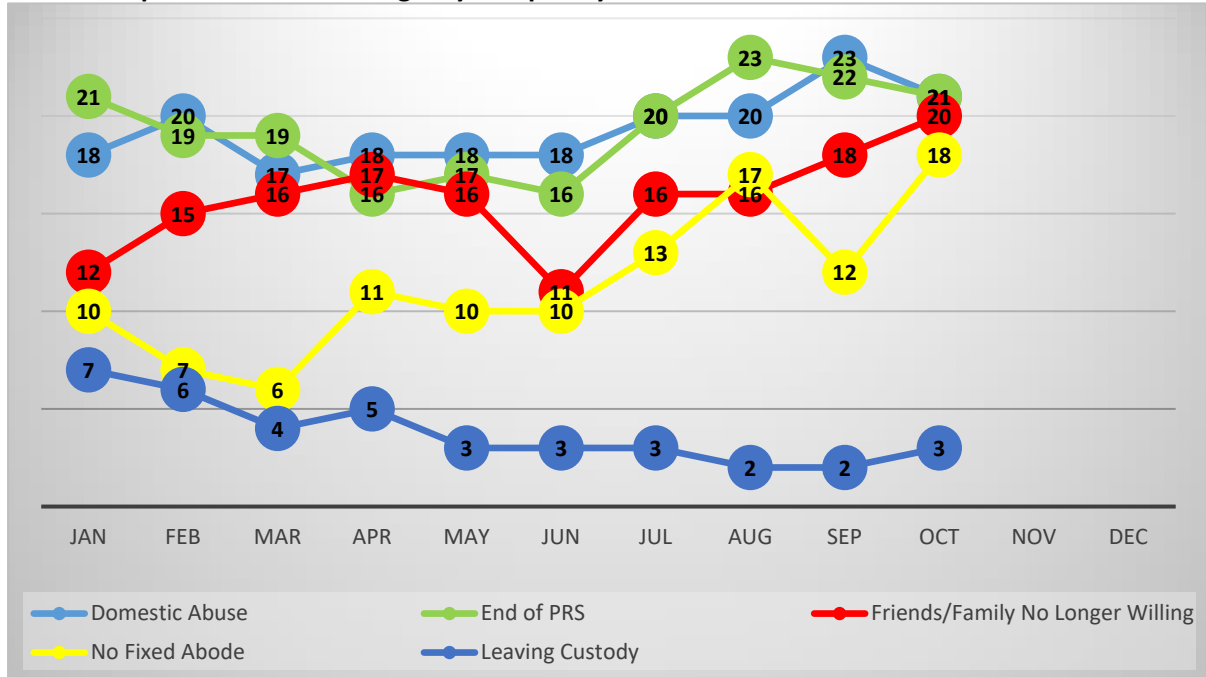
Agenda Item 4a

Chart 3: Number of households in Emergency Accommodation (nightly paid)



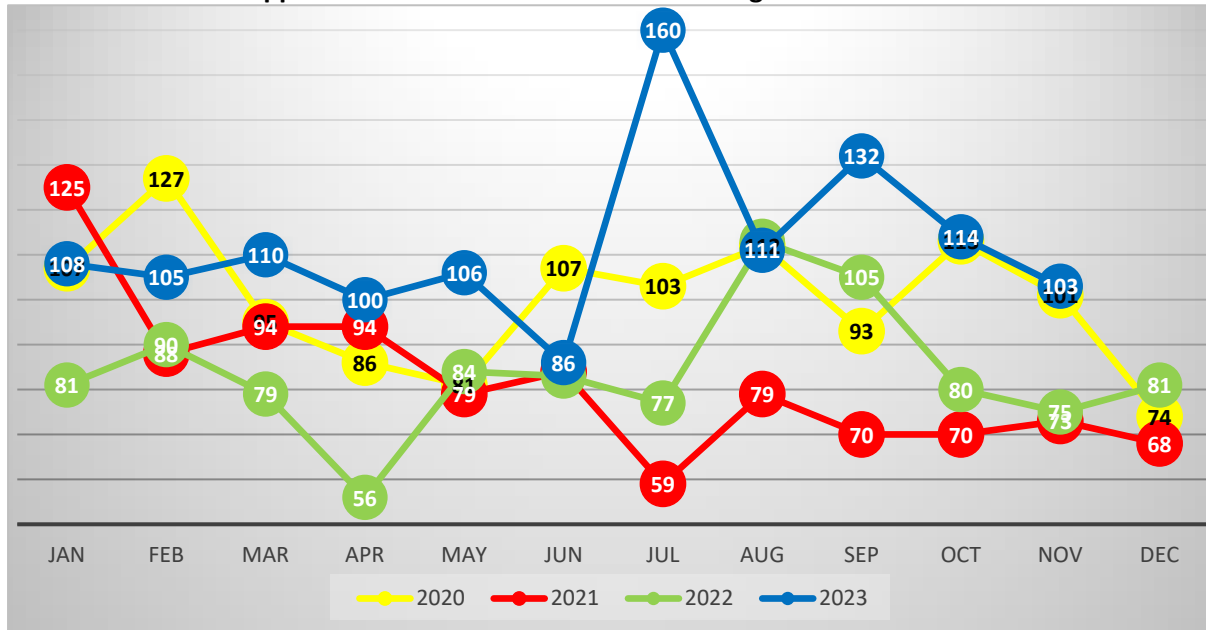
Note: There are currently 55 households placed in emergency accommodation (nightly paid) including 1 placement in Bed and Breakfast pending a move between temporary accommodation units. The team continues to be robust in their investigations and in seeking alternative solutions, rather than rely on emergency accommodation and working really hard to nominate these customers for move on into WKHA and Moat properties.

Chart 4: Top 5 Reasons for Emergency Temporary Accommodation



Note: The 5 main reasons for the provision of temporary accommodation were customers fleeing domestic abuse (21), ending of private rented sector tenancies (21), family and friends no longer willing to accommodate, no fixed abode and leaving custody. The family and friends group are often under the age of 35 and the hardest to move on due to a lower number of benefits received, the Local Housing Allowance and shortage of housing options. The Out of Area Placement Policy allows the team to source a wider pool of properties to make final offers, enabling move on from temporary accommodation and into suitable accommodation.

Chart 5: Number of approaches for homelessness and housing advice



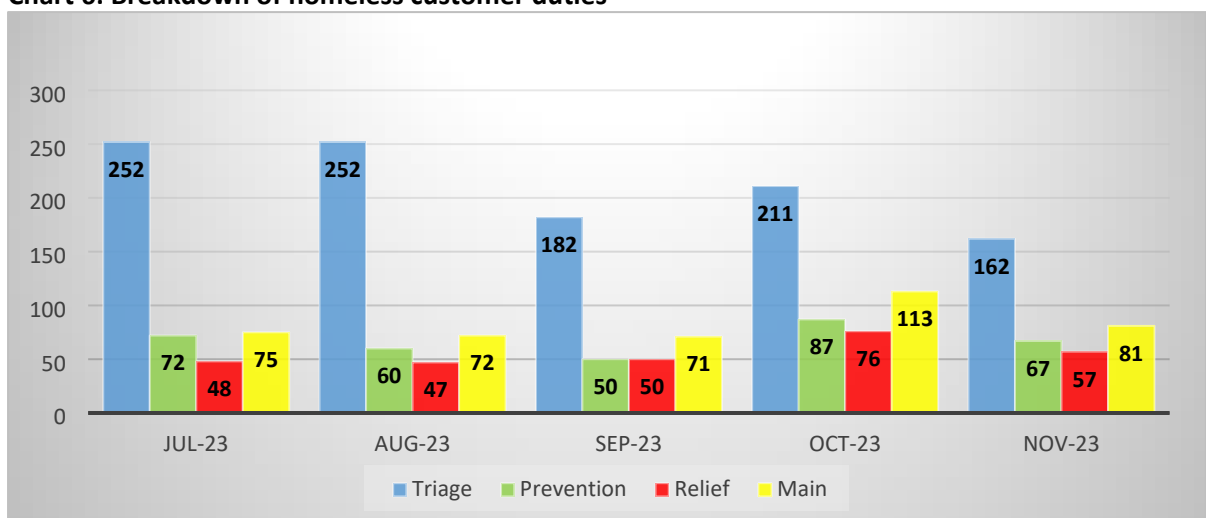
Note: The Homelessness team continues to see a considerable number of households approaching with complex needs, households experiencing domestic abuse, mental health, substance misuse or multiple complexities. Many of the approaches required multi-agency partnership working.

Due to the impact of the cost of living, we are seeing a steady approach of customers who have been evicted as they cannot afford their annual rent increases. The team currently have 367 live cases down from 487 live cases reported in October 2023.

Top 5 approaches to the Council can be broken down as follows:

Friends and Family no longer willing to accommodate	29
Domestic abuse	18
Relationship with partner non-violent breakdown	13
End of PRS	11
No Fixed Abode	7

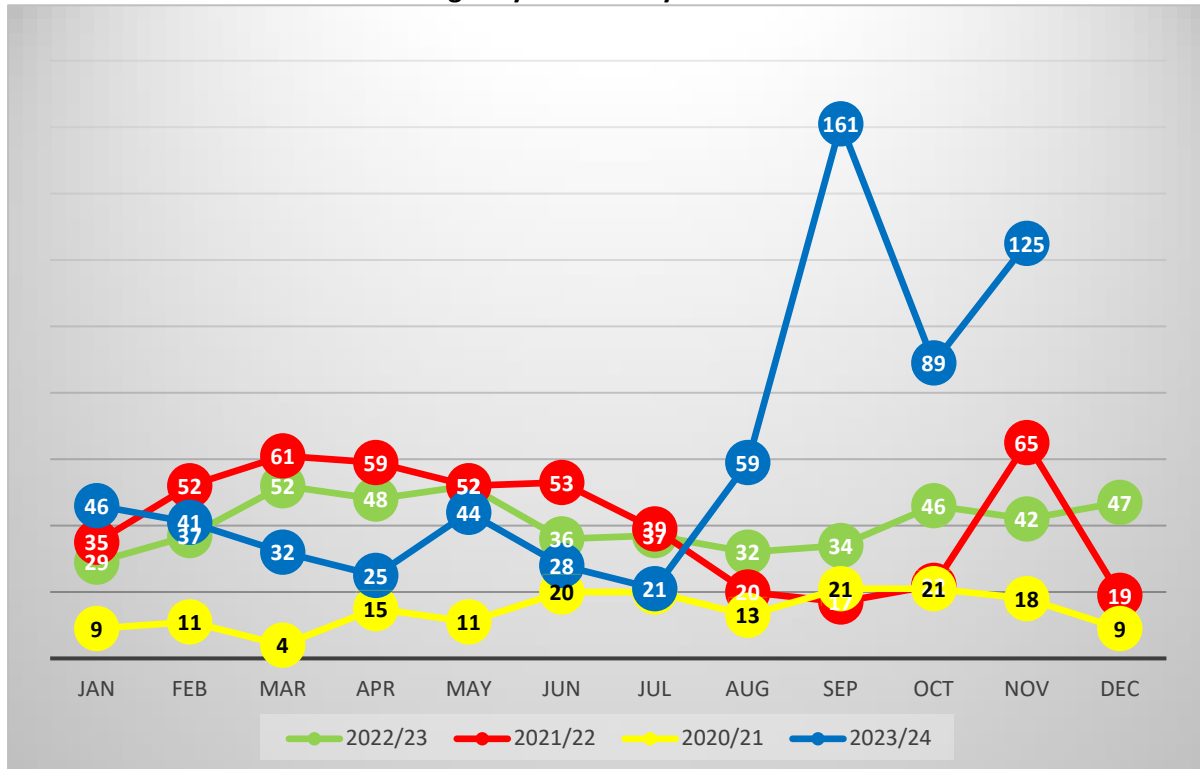
Chart 6: Breakdown of homeless customer duties



Note: Triage duty is made up of those customers who have applied, set to pending enquiries and receiving advice prior to transition to a Housing Advice Officer to complete a Homelessness Assessment and be placed into a duty if owed.

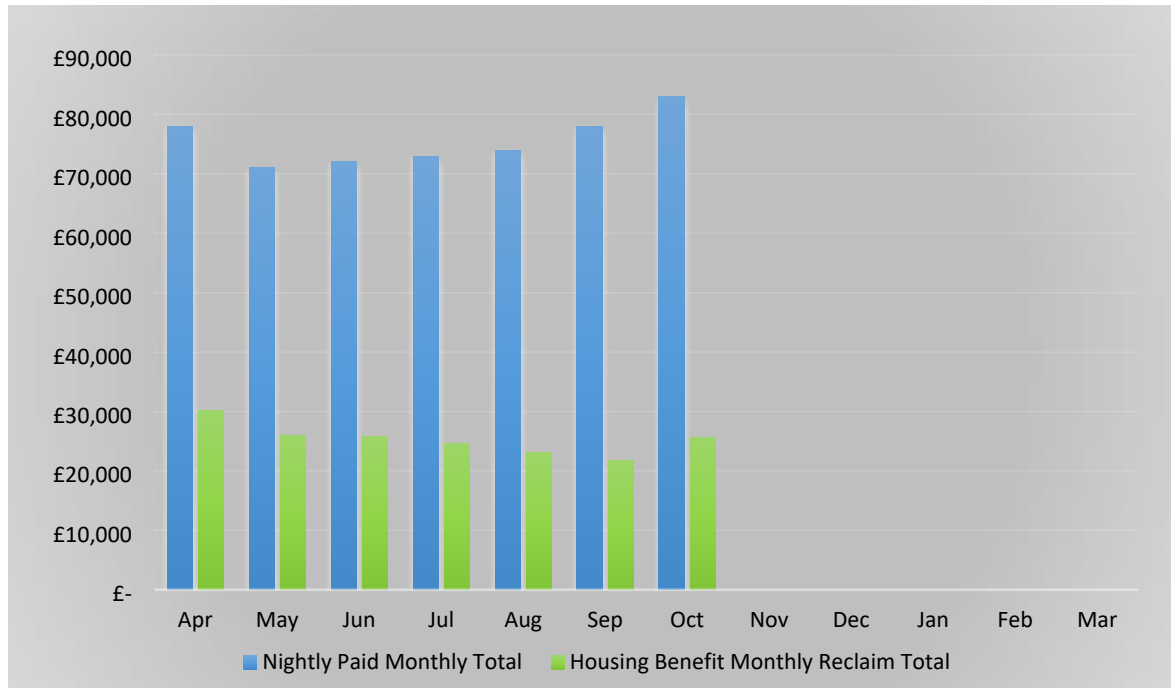
Agenda Item 4a

Chart 7: Number of offers and ending duty successfully



Note: There were 125 successful prevention and accommodation offers in November 2023, resulting in households either not having to be placed into temporary or emergency accommodation or being moved on. To break this down further: 100 were closed at triage for no response, 8 accepted offers via the housing register, 8 accepted accommodation in the Private Rented Sector, 5 were closed with no further action taken after the 56 days prevention duty expired, 3 were prevented and could stay at home, 1 lost contact and is believed to be staying with friends.

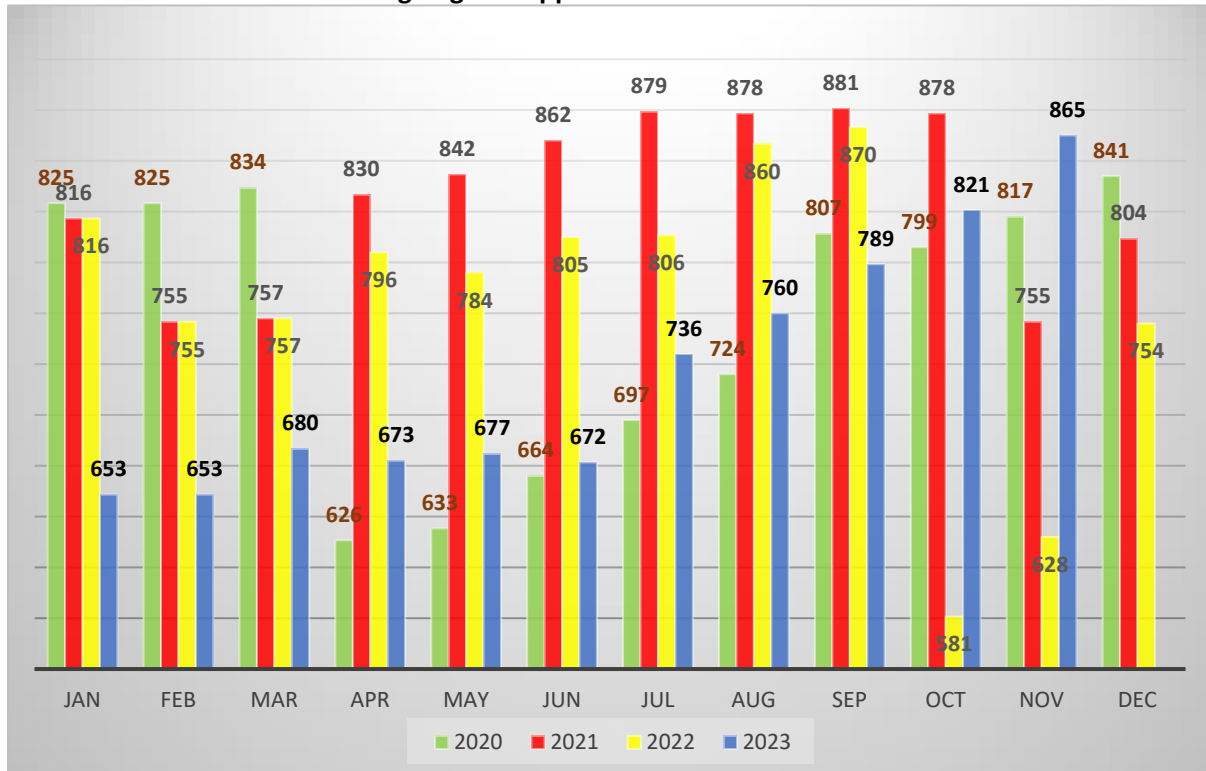
Chart 8: Emergency Accommodation (nightly paid) expenditure and Income (housing benefit) 2023-2024



Note: Total monthly expenditure for November was £90,000, total Housing Benefit income reclaimed (paid in arrears) is £28,440, showing a shortfall of £61,560. It should be noted that Housing Benefit is set at 90% of 2011 Local Housing Allowance rates. The Council can reclaim approximately 38% in Housing Benefit to offset the overall nightly paid costs. If the customer is already in receipt of Universal Credit, there is a delay for

Universal Credit to cancel the housing element so that the Housing Benefit can be reclaimed if the customer is working or not entitled to benefits.

Chart 10: Number of live Housing Register applications with an allocated band



Note: There were 206 applications made to the Housing Register with 63 applications being made live in November 2023. There are currently 865 live housing register applications within allocated bands.

Agenda Item 4a

Appendix 2:

Domestic Abuse training (mandatory for all staff)

The screenshot shows the user interface of the Sevenoaks E-Learning platform. At the top left is the Sevenoaks logo. A search bar is located at the top right. Below the logo is a navigation bar with 'Back', 'Homepage', and 'Domestic Abuse (Mandatory)'. The main header area is dark blue with the title 'Domestic Abuse (Mandatory)' and 'E-Learning ENGLISH'. The content area is white and contains the following text:

Course Description

Course Description
Domestic abuse is a serious and widespread problem which affects nearly 10% of women and 5% of men every year. In this revealing course you will learn who is at risk and how the law can help. You will be able to understand domestic abuse from the perspective of both the victim and the perpetrator.

This course will enable you to:

- Know what domestic abuse or violence is
- Understand the nature of domestic abuse
- Know who is affected
- Learn how the law can help victims of abuse
- Know what the police can do
- Learn about the range of situations victims might experience
- Understand the effect the abuse can have
- Learn how victims think about their abuse and the abuser
- Know the effect it can have on the children living in abusive households
- Understand why victims sometimes don't leave
- Know what victims need to feel so they can leave abusive relationships
- Learn how you should deal with victims of domestic abuse
- Know the risk assessment tools available to help you make decisions about managing risk and increasing safety
- Learn about the Multi-Agency Risk Assessment Conference
- Learn about the role of the Independent Domestic Violence Advisor
- Learn about what abuser's think
- Learn how the abuser sees the world
- Learn who is responsible for abuse
- Know what treatment is available to abusers
- Learn how abuse can be prevented

Who is this course for?
This course is intended for anyone who needs to learn about domestic abuse.
Note: This course can form part of an induction programme for new starters, it is also intended for all people who want to improve their knowledge and continue their professional development.

Course Duration
90 minutes

Share this course

Item 05 – Animal Welfare – Review of Fees and Charges

The attached report was considered by the Cleaner & Greener Advisory Committee on 23 November 2023. The relevant Minute extract is below.

Cleaner & Greener Advisory Committee (23 November 2023, Minute 36)

The Head of Licensing presented the report, which set out proposed changes to the fees and charges for licenses relating to animal activities, to allow for full cost recovery. The current schedule of fees was from 2018 and no longer recovered the cost of operating the services. Members were advised that the A review was initially planned for 2021 when the licenses issued under the new Animal Welfare Regulations 2018 expired, but that changes in the Environmental Health service, such as the termination of the partnership with Dartford, had delayed it. The updated time and cost analysis indicated that there had been significant increases, as a result of the staff pay award, rises in the cost of administration, and the professional qualification of the Animal Welfare Officer.

In response to questions, the officer explained that the fees for licenses needed to cover the parts of the service that did not generate income, such as enforcement. Officers did not find that fees drove businesses to operate without a license; enforcement officers often found multiple other infringements when they investigated unlicensed businesses.

Resolved: That the adoption of the new fees for the licensing of activities under the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018, the Dangerous Wild Animals Act 1976 and the Zoo Licensing Act 1981 by Cabinet be supported.

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REVIEW OF FEES AND CHARGES FOR THE ANIMAL WELFARE (LICENSING OF ACTIVITIES INVOLVING ANIMALS)(ENGLAND) REGULATIONS 2018

Cabinet – 8 February 2024

Report of: Richard Morris, Deputy Chief Executive and Chief Officer Planning and Regulatory Services

Status: For Decision

Also considered by: Cleaner and Greener Advisory Committee – 23 November 2023

Key Decision: No

Executive Summary: A review of the fees and charges for licenses for animal related activities issued by the Council was undertaken. As a result of the evaluation it was found that the Council was not making adequate recovery of the costs incurred in providing the licensing service. New fees and charges are therefore proposed to reflect current costs and allow full recovery.

Portfolio Holder: Cllr. McArthur

Contact Officer: Colin Alden, Ext. 7186

Recommendation to Cleaner and Greener Advisory Committee

To support the adoption of the new fees for the licensing of activities under the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018, the Dangerous Wild Animals Act 1976 and the Zoo Licensing Act 1981.

Recommendation to Cabinet

To agree the adoption of the new fees for the licensing of activities under the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018, the Dangerous Wild Animals Act 1976 and the Zoo Licensing Act 1981.

Reason for recommendation: To enable the Environmental Health Team to recover full costs incurred administering and enforcing the animal licensing regime.

Agenda Item 5

Introduction and Background

- 1 Sevenoaks District Council is responsible for the licensing and regulation of various animal-related activities including activities specified by the Animal Welfare (Licensing of Activities Involving Animals)(England) Regulations 2018, the Dangerous Wild Animals Act 1976 and the Zoo Licensing Act 1981.. The Animal Welfare Officer carries out these functions on behalf of the District Council with the assistance of the Technical Administrators from Environmental Health and the Environmental Protection Team Leader.
- 2 Once an application for a licence has been received we have 10 weeks to determine and either issue or refuse the licence. This includes undertaking all the necessary checks.
- 3 As part of the licensing process our officers:
 - a. Review, assess and validate applications received
 - b. Gather details from the applicant regarding the proposed activity, including details of process, procedures and controls to protect animal welfare.
 - c. Undertake a detailed site inspection to assess compliance with conditions (where necessary accompanied by a veterinary inspector)
 - d. Determine if an activity can be licenced and award a 'star rating' based upon risk (including adherence to model and enhanced conditions) and compliance history.
 - e. Investigate complaints about licenced premises from members of the public
 - f. Undertake a minimum of one unannounced inspection during the operating period of the licence.
- 4 An officer who undertakes the inspection of a proposed animal activity is required to be suitably qualified and experienced. The Animal Welfare Officer has undertaken a specialist qualification to allow her to discharge this role for the District Council. Whilst the majority of inspections do not require a veterinary inspector they are required to assess animal welfare at activities involving the hire of horses or where an animal has complex or unusual welfare needs (such as exotic animals).
- 5 Under the licensing regime, the District Council issues licences of 1, 2 or 3 years. Higher rated businesses with a history of good compliance are able to obtain longer licences, and consequently pay lower fees reducing the burden upon them. It is believed that this incentivises businesses to perform at higher levels which in turn drives up animal welfare standards.

- 6 As with food businesses, animal establishments are issued with a “star rating”. This rating is published on the license and the District Council’s website. The “star rating” is determined at inspection using a published score matrices by the Animal Welfare Officer. Awarded “star ratings” are appealable to the Environmental Health Manager.
- 7 If the District Council refuse a licence, the applicant has a right of appeal to a Third Tier Tribunal.
- 8 The District Council invite existing license holders to reapply for their licence a minimum of 10 weeks before expiry. Where an existing licence holder renews there is a slight reduction in administration effort for the District Council and this is reflected within the proposed fees.
- 9 It is an offence under the Animal Welfare Act 2006 to operate a licensable animal activity without a relevant licence. The Animal Welfare Officer therefore undertakes intelligence based regulatory activities to ensure all relevant activities are licenced.
- 10 Sevenoaks District Council currently licence the following activities:

Animal Boarding commercial kennels/ catteries)	12
Animal Boarding (home boarding and day care)	11
Animal Boarding Franchise for cats or dogs (Kennel/Cattery)	0
Hiring out horses	6
Breeding of Dogs	4
Selling of animals as pets	6
Training animals for exhibition	4
Dangerous Wild Animal Licenses	0
Operating a Zoo	2

- 11 Legislation allows the District Council to seek full cost recovery for work and effort spent administering the licensing process.
- 12 The current fees and charges for the licensable animal activities were agreed by Cabinet on 9th October 2018 (shortly after the introduction of the 2018 regulations). At that time, officers were unable to accurately quantify the

Agenda Item 5

regulatory effort required to administer the regime and so the proposed fees were based on an estimation of cost recovery derived from issuing licences under previous legislation.

- 13 It would normally be the intention of the Environmental Health Team to review the Animal Licensing fees on a bi-annual basis. However, whilst the fees set in 2018 have been subject to annual inflationary increases, a full review was initially delayed by the Covid-19 Pandemic and then subsequently to allow for the recovery of businesses whose trade had been impacted during this period.
- 14 Officers now consider that it is appropriate and necessary to recalculate our fees, using up to date officer costs and with greater knowledge of the time and resource implications that administering this regime takes.

Fee setting

- 15 The fee revision process considered the costs of administering the animal licensing process, the costs of undertaking premises inspections (including inspection software, officer time and resources), vehicle maintenance charges and ongoing training requirements for officers to ensure competency is maintained.
- 16 The review made adjustments for the reduction in administration costs due to process streamlining.
- 17 Unfortunately and in line with the ongoing inflationary pressures experienced across all sectors, staffing costs have increased as have costs associated with maintaining equipment and the designated animal welfare vehicle. Inflationary rises have also affected the costs required for officers to maintain competency (training costs).
- 18 As a result, we are proposing that the relevant fees need to increase to ensure that we are achieving cost recovery, this includes charging for pre-application advice.
- 19 We have identified that potential applicants for an animal licence will often make contact with our team prior to making an application to request:
 - a. A detailed explanation of the licensing requirements,
 - b. Help completing the application paperwork
 - c. A site visit prior to making an application.

This demand on officer time is not currently charged for. We believe that it is appropriate for Environmental Health to charge for this pre-application advice (similar mechanism to that operated through the planning process), with a portion of that fee being offset against the application fee if an application is made soon after the advice is given.

20 We propose that the fee for the advice is £100 or £160 if a site visit is requested to view premises. If the advice results in a valid application being received within 90 days of the pre-application advice, then the application fee will be reduced by £40.

21 The table below outlines our existing charges and the increases proposed.

Current and proposed animal license fees

License Type	Current License Fee	Proposed License Fee	Current Renewal Fee	Proposed Renewal Fee
Animal Boarding commercial kennels/ catteries)	£457	£629	£409	£590
Animal Boarding Franchise for cats or dogs (Kennel/Cattery)	£422 + £167 per registered franchise fee where incurred	£576 + £207 per registered franchise	£374 + £167 per registered franchise	£537 + £207 per registered franchise
Animal Boarding (home boarding and day care)	£422	£576	£374	£537
Hiring out horses (up to 10 horses)	£529 + Veterinary fee where incurred	£635 + Veterinary fee where incurred	£481 + Veterinary fee where incurred	£596 + Veterinary fee where incurred
Hiring out horses (more than 10 horses)	£529 + Veterinary fee where incurred	£735 + Veterinary fee where incurred	£481 + Veterinary fee where incurred	£696 + Veterinary fee where incurred
Breeding of Dogs	£457	£603	£409	£563
Selling of animals as pets	£457	£629	£409	£590
Training animals for exhibition	£422	£576	£374	£537
Dangerous Wild Animal Licenses	£529 + Veterinary	£629 + Veterinary	£410 + Veterinary	£590 + Veterinary

Agenda Item 5

License Type	Current License Fee	Proposed License Fee	Current Renewal Fee	Proposed Renewal Fee
	fee where incurred	fee where incurred	fee where incurred	fee where incurred
Operating a Zoo	£2891 + Veterinary fee	£4334 + Veterinary fee	£2843 + Veterinary fee	£4294 + Veterinary fee

- 22 Officers recognise that should these fees be adopted that it will be necessary to carefully communicate the proposed increases to the affected business. If the fees are agreed we would seek to commence this process immediately so that existing businesses are aware of the changes well in advance of their implementation date.

Key Implications

Financial

The fees proposed are based on the cost recovery of the expenditure currently being incurred in the provision of this service. Therefore there is no negative financial impact.

Legal Implications and Risk Assessment Statement.

This is a statutory duty that allows full cost recovery for the provision of the service.

Equality Assessment

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

Net Zero Implications

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

Appendices

N/A

Background Papers

N/A

Richard Morris

Deputy Chief Executive and Chief Officer – Planning & Regulatory Services

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Kent Authorities Animal Licensing Fee Comparison

Licensable Activity	Sevenoaks		Dover		Maidstone		Tunbridge wells		Thanet		Folkestone & Hythe
	New license	Renewal	New license	Renewal	New license	Renewal	New license	Renewal	New license	Renewal	New license
Animal Boarding commercial kennels/ catteries)	629	590	558	492	655	555	880	880	390	350	464
Animal Boarding Franchise for cats or dogs (Kennel/Cattery)	576+207	537+207							450	450	
Animal Boarding (home boarding and day care)	576	537	486	479	605	505	880	880	370	340	444
Hiring out horses up to 10	635	596	891	777	785	620	880	880	490	440	444
Hiring out horses more than 10	735	635	891	777	845	650	880	880	520	480	444
Breeding of Dogs	603	563	730	632	750	695	880	880	490	440	444
Selling of animals as pets	629	590	698	676	785	685	880	880	340	300	464
Training animals for exhibition	576	537	515	452	655	595	776	776	300	300	464
Dangerous Wild Animal Licenses	629	590	250	211	210	130	695	695	330	330	470
Operating a Zoo	4334	4294	888	719	1220	1130	1590	1590	1060	1060	661+35 p/h

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Item 06 – Cost Pressures and Cost Management of Capital Projects

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January, Minute 42)

The Portfolio Holder introduced the report, which outlined the cost pressures that the Council's capital projects had encountered, and the management measures enacted. Members had expressed concern regarding capital project overspend. The Portfolio Holder emphasised that much of this had come from unprecedented external factors that could not have been anticipated.

Members welcomed the report, and thanked the Portfolio Holder and the Strategic Head of Property and Commercial for preparing it.

The Construction Project Manager outlined the report, and corrected a typo in the fifth bullet point of Paragraph 3 – the total project cost for White Oak Leisure Centre was £22.27m. He set out some of the external factors that had impacted projects. These included the pandemic, Brexit, the Russo-Ukrainian War, high inflation, and rising labour and supply costs. Construction materials had undergone inflation of up to 30%, and interest rates from the Public Works Loan Board had increased from 1.5% in November 2021 to 5% in October 2023.

Capital projects were managed by officers, who procured consultants, design teams, and contractors in accordance with the Public Contracts Regulations 2015. Project teams were created for each project, with officers and specialised external advisors and consultants. All changes and options were put through a formal change control process, and the projects were all submitted through the committee process, to field Member feedback.

In response to questions, the officer explained that there were construction industry guidelines for contingency allowances, which tended to reduce as a project progressed and more information became available. For each project the Council took advice from the project team, including cost consultants and quantity surveyors, regarding the level of contingency considered appropriate dependent on the specific project context and information available at the time. The Council sought realistic and robust contingency amounts - raising the allowance would make certain projects unviable. Members were advised that work was ongoing on completing a property register for the Council.

Members asked questions regarding considering ending development projects before they were finished. They were advised that projects were complex and usually lasted many years, and that various factors during the project lifecycle could influence the journey. For example, the Bevan Place project was denied planning permission, and thus had stopped whilst alternative options were

Agenda Item 6

explored for the site. The officer further clarified the process following the conclusion of a project. A project closure and lessons report was presented to the Corporate Programme Board and Capital Projects Progress Meeting for all finished schemes. Officers would investigate mechanisms for sharing this information with all Members.

Members discussed the report. They noted their interest for the proposed information session, and hoped that it would provide insight into the Council's control protocols. They further discussed the asymmetrical relationship between the Council and utility providers. Members queried how many of the projects were within their original estimate budget, and it was agreed that a response would be provided.

Action: For the Construction Project Manager to provide Members with a list of which capital projects were within budget.

Resolved: That it be recommended that Cabinet:

- (a) Notes the cost pressures SDC's capital projects have and can encounter as detailed in the report.
- (b) Notes the cost management measures SDC has in place as detailed in the report.
- (c) Endorses the continued use of the capital project cost management measures SDC employs.
- (d) An information session is offered to members to help better understand project management protocols and approaches that the Council uses for its capital projects.

COST PRESSURES AND COST MANAGEMENT OF CAPITAL PROJECTS

Cabinet – 8 February 2024

Report of: Strategic Head of Property and Commercial

Status: For Consideration

Also considered by: Finance & Investment Advisory Committee - 11 January 2024

Key Decision: No

Executive Summary: At the request of the Portfolio holder for Finance and Investments, this report provides an overview of the cost pressures that Sevenoaks District Council (SDC)'s capital projects have encountered, and the cost management measures that SDC has in place. The report notes that projects follow a robust development and review process and that they are regularly monitored with issues being escalated accordingly. Regular monitoring will continue to take place to ensure that individual projects continue to deliver positive results as well as value for money.

Portfolio Holder: Cllr. Maskell

Contact Officer(s): Geoff Golledge, Ext. 7479; Andrew Connors, Ext. 7018

Recommendation to Finance and Investment Advisory Committee:

- (a) Provides comments to Cabinet on the recommendations below.

Recommendation to Cabinet:

- (a) Notes the cost pressures SDC's capital projects have and can encounter as detailed in the report.
- (b) Notes the cost management measures SDC has in place as detailed in the report.
- (c) Endorses the continued use of the capital project cost management measures SDC employs.
- (d) An information session is offered to members to help better understand project management protocols and approaches that the Council uses for its capital projects.

Agenda Item 6

Introduction and Background

- 1 This report was request by the Portfolio-holder for Finance and Investments to better understand the financial variances that certain capital projects have experienced and the change control processes in place to approve such variances.
- 2 Sevenoaks District Council (SDC) undertakes a variety of capital projects, which contribute towards the achievement of the Council Plan. All of the projects undertaken are endorsed and approved through the Council's committee process as required by the Council's Constitution and in particular, the Council's Financial Regulations.
- 3 Over recent years these projects have included the following commercial, leisure and residential projects:
 - Bradbourne multi-decked Car Park (420 spaces), Sevenoaks; £5.3 m total project cost; completed 2017.
 - Premier Inn Hotel (83 beds), Sevenoaks; £7.32 m total project cost; completed 2018.
 - Sevenoaks Town multi-decked Car Park (480 spaces), Sevenoaks; £10.92 m total project cost; completed 2019.
 - Burlington Mews (10 townhouses), Sevenoaks; £5.9 m total project cost; completed 2020.
 - White Oak Leisure Centre (6 lane pool, learner pool, 100-fitness stations, spin space, sports hall, multi-use studios, tag active, soft play, feel-good, café), Swanley; £22.24 m total project cost; completed 2022.
 - 27-37 High Street (17 flats, business hub), Swanley; £5.93 m total estimated project cost (final account for construction works currently being settled); completed 2023.
 - Stangrove Estate Development (13 residential units, replacement retail unit, parking and landscaping), Edenbridge; £4.31 m budget; completion due 2024.
 - Farmstead Drive (23 residential units, replacement retail unit and community, parking, playground re-location), Edenbridge; £10.35 m budget; completion due 2026.
 - White Oak Residential (61 residential units, parking, amenity space), Swanley; £21.85 m budget; completion due 2026.
- 4 Other capital projects are also currently under development and are entered into the Council's committee process once pre-feasibility work is undertaken to determine "proof-of-concept", viability, feasibility, affordability and the project is aligned to the Council's needs, objectives and priorities.
- 5 All capital projects from inception/mandate are managed in accordance with the Council's project management protocols, and there are several control measures in place to ensure projects are appropriately managed and directed.

Control Measures

- 6 To ensure successful project delivery, appropriate measures have been established by the Council to direct and control a project.

Technical know-how

- 7 Capital projects are managed by professionally qualified officers in the Commercial and Property Team who procure consultants, design teams, and contractors in accordance with the Public Contracts Regulations 2015 and SDC's Contract Procedure Rules.
- 8 A Project Team is set up for each project with internal SDC officers from i.e. Planning, Legal, Finance, Communications, Commercial and Property Services. The internal project team is augmented with specialist external professional consultants and advisers (i.e. design specialists, engineers, planning consultants, tax specialists, financial and property consultants, valuers and cost consultants) depending on the nature of the project at hand. As a project progresses, the project team will expand to include the employers agent, clerk of works, development partner if relevant, and the contractor.

Project Management Approach

- 9 The Project Team uses adapted PRINCE2 methodologies to manage projects. The Council's project management approach is outlined in Appendix A. This outline shows the outputs, approvals, project management products and milestones during the life cycle of a project. A robust formal change control process is managed by the Council's internal project manager and external employers agent/contract administrator. All proposed changes and alternative options are appraised in terms of cost, time and quality implications.

Governance

- 10 The Project Team reports to the Corporate Programme Board (CPB) composed of SDC senior officers and chaired by the Chief Executive. Monitoring reports (such as highlight reports/exception reports, financial summary accounts and risk registers), are submitted monthly to the CPB. A Capital Projects Dashboard is also provided at the Capital Projects Review meeting which is attended by the relevant cabinet members (the Leader and Portfolio Holder for Improvement and Innovation, Portfolio Holder for Finance & Investment, Deputy Leader and Portfolio Holder for Housing & Health).
- 11 Relevant Cabinet Advisory Committees are consulted prior to scheme gateway approvals by Cabinet and Council. The advisory committees afford members the opportunity to provide input into projects. In addition, ward members are also notified of projects that may be located within their wards and requested to provide input too.

Public Consultation

- 12 In addition to member consultation, key stakeholders and residents are also consulted at various stages of a project's development. Such consultation is undertaken to identify issues and needs, obtain feedback on emerging ideas/designs and to gauge stakeholder/public opinion with the ultimate

Agenda Item 6

intention of improving a scheme and mitigating its impacts as much as possible. For example, the Farmstead Drive Project underwent a two-stage consultation process prior to statutory planning consultation and feedback assist the project team in improving the scheme's design features and specification.

Project Risk Management

- 13 Risks (including potential cost pressures) are identified from the outset of every project and are regularly reviewed. Risks are assessed in terms of their likelihood, impact, proximity, and mitigation measures suggested. Risks are managed and updated as a project progresses through its lifecycle. Where risks materialise, issues are raised through exception reporting through the governance arrangements put in place.

Contingency Allowances

- 14 Contingency allowances are made to deal with unknown risks and unforeseen circumstances associated with a project. These include 'Design Contingency' regarding risks associated with design development, changes in estimating date, statutory requirements, procurement methodology and delays in tendering; 'Construction Contingency' regarding risks associated with, site/ground conditions, existing services, and delays by statutory undertakers; and 'Client Contingency' regarding changes in scope of the works, in quality and time.
- 15 Contingencies are greatest in the early stages of a project when there are the greatest number of possible risks. Contingencies tend to reduce as a project progresses, as more information becomes available (e.g. through surveys and investigations) and the design is developed.

Procurement

- 16 The Council is under statutory obligation to comply with procurement regulations. While these obligations ensure transparency and equity and are aimed at ensuring the council achieves value for money, it is important to note that the procurement methods can impose additional cost pressures on a project, which would not apply to private sector projects. Significant consideration is therefore given to how consultants and contractors are procured and which forms of contracts are used. Depending on the project at hand, procurements can be staged to ensure risks are appropriately mitigated. Often Design and Build contracts are employed to help SDC transfer risk to the contractor during the detailed design and construction stage. These can have an impact on cost.

Contract Form and Mechanisms

- 17 SDC uses industry standard construction contracts such as those from the Joint Contracts Tribunal. Contracts allow for Retention Sums to be held during the construction process to ensure works are properly completed. SDC also often obtains a Performance Bond of typically 10% of the contract value, or other mechanism, to protect against the risk of a contractor failing to fulfil

contractual obligations or going into liquidation. Retention allowances and performance bonds all have an impact on project costs.

Continuous Learning

- 18 At the end of each project a formal Project Closure and Lessons Report is produced which includes a review of the project, the benefits achieved, lessons learned and follow on actions. This is reviewed by the CPB and Capital Projects Progress Meeting and learning is applied to other current and pipeline capital projects.

Summary of Key Cost Pressures

- 19 During the life of the project various cost pressures may be experienced. Internal cost pressures may result from specification changes requested by the client, or indeed delays with seeking approvals in an industry which requires agility. Internal cost pressures are normally within the control of the Council, and it is for this reason that stringent change control mechanisms are put in place and the emphasis is placed on ensuring specifications and designs as well as other outputs and outcomes are clearly defined from the outset of a project.
- 20 External cost pressures include labour, supply chain, regulatory issues and general economic/market conditions that are beyond the Council's control. Appropriate risk management protocols are deployed to assess the risks these factors may present to the project and appropriate mitigatory measures and contingencies are put in place. However, unlike private sector projects where significant profit margins are also built into projects providing an added protection buffer, many public sector projects are commercially unviable or are marginally viable and have very limited additional margins to rely on.
- 21 With all projects, it is important to understand external cost pressures that may result from current and emerging economic condition. Sensitivity and scenario tests are therefore undertaken to stress test the financial parameters (and other parameters) of a project. Appropriate stress tests are undertaken, but since 2020, Council projects have experienced unprecedented global shocks, that could not have been predicted or stress tested. The Covid-19 global pandemic had a significant impact on supply chains and labour supply resulting in increased costs and delays to projects resulting in further cost increases. The Russian-Ukrainian War resulted in rising material, fuel, energy, shipping, and construction costs. These inflationary pressures were further confounded by Brexit, which impacted supply chains and labour markets within the UK.
- 22 The culmination of all these factors together with political turmoil, weakened economic prospects (locally and globally) causing financial markets to flux, resulting in the cost of capital to increase, higher interest rates and weaker consumer confidence.

Review of Project Specific Cost Pressures

Agenda Item 6

The following are recent capital project that SDC has undertaken and where cost pressures have had to be closely managed.

White Oak Leisure Centre, Swanley (completed 2022)

- 23 This was the largest project that SDC had embarked on in over 30 years. The project involved the construction of the new leisure centre (Phase 1), which was completed in February 2022, and the demolition of the existing leisure centre and construction of the new car park (Phase 2), which was completed in October 2022.
- 24 The project encountered significant issues that resulted in the project budget having to be revised and taken through the Council's Committee process. These included the Covid-19 pandemic, the discovery of unrecorded underground drainage assets and infrastructure, and the discovery of large underground voids, as well as the discovery of additional asbestos containing materials. These are outlined in more detail below.
- 25 A series of soakaways and large voids located within the footprint of the new leisure centre were discovered during the ground works. They were not identified in the pre-construction ground investigation surveys nor in the due diligence investigations and searches undertaken. The asset owner, Kent County Council (KCC), was not even aware of the soakaways as they did not appear on their asset register, but following investigation, KCC confirmed the soakaways were their assets. The soakaways and voids were surveyed to determine their full extent and additional geotechnical and structural engineering advice was obtained. They were subsequently infilled and piling foundations were reconfigured around them. Officers investigated the legal and technical circumstances to explore the possibility of reclaiming costs from either surveyors or KCC. However, in the absence of clear evidence of negligence and taking account of government guidance on the moving of infrastructure it was not considered proportionate to pursue any possible legal action.
- 26 Despite having agreed a new drainage system with KCC, Thames Water and the local planning authority, a new permanent drainage system needed to be reengineered and a temporary drainage solution agreed. KCC required additional investigations and modelling of the drainage network be undertaken before a permanent solution could be agreed. Discussions were protracted due to poor records held by KCC and Thames Water, but the Council undertook additional survey works to expedite the matter. A permanent drainage system was finally agreed. The temporary and new permanent drainage systems together with associated impacts, such as the need to provide temporary access arrangements to the new leisure centre, resulted in additional costs.
- 27 Covid-19 and Brexit. Despite proactive Covid-19 and supply chain management, there were delays with the receipt of some materials causing programme slippage of some 7 weeks.
- 28 Asbestos. While asbestos surveys were undertaken of the existing leisure centre, given the need for the existing leisure centre to remain operational,

intrusive R&D asbestos surveys could not be undertaken. While an allowance for asbestos was made at the start of the contract, further investigations undertaken in September and October 2021, revealed the existence of asbestos in unexpected areas and the allowance originally made was no longer considered to be sufficient. The full extent of the presence of asbestos and remedial works needed could only be determined once the existing centre was no longer operational and demolition works commenced.

- 29 Decommissioning of the existing leisure centre. Several costs associated with the decommissioning of the leisure centre only became apparent following the termination notice that was issued to the leisure operator. This was despite having engaged with the leisure centre operator from the outset of the project. Such costs included the need to remove certain fittings and furniture and soft strips associated with demolition, and contract penalty clauses associated with the early termination of certain services which had to be picked up by the Council.
- 30 The original project budget approved in April 2020 was £20m. The client contingency allowance made at the time was considered prudent and represented 3.9% of the total build cost and this was in addition to a 2% provisional sum allowance made by the contractor. The Development Partner advised SDC that these figures closely aligned with other leisure centre projects they had and were managing.
- 31 In February 2022 Council approved a budget increase to cover additional unforeseen costs as follows:

Item	£
Covid 19 site control measures	£76,500
Voids mapping and remedial works (includes cost of delay to programme)	£474,373
Soakaway temporary solution (includes cost of delay to programme)	£419,907
Soakaway permanent solution	£288,687
Changes to specification (eg. power for electric sub-station, drainage diversion, gym finishes, temporary entrance footpath, post completion hoarding)	£245,658
Increase to asbestos removal to existing White Oak Leisure Centre and party wall area with Bowls Club	£451,833
Decant of existing White Oak Leisure Centre	£230,182
Expenditure outside works contract (eg. consultants, surveys, cctv upgrade, soakaways downstream, Sencio contract penalty payments, capitalisation of salaries)	£300,932
Unforeseen costs estimate to end of construction project	£507,305
Total Construction Project Forecast Overspend	£2,995,378

The largest part of the additional costs incurred related to the soakaways and the voids (c. £1.3m). A sizable, assessed risk allowance contingency was made for the remaining unknowns, especially regarding potential asbestos, ground conditions and drainage issues, which could only become fully known during the demolition of the existing centre.

- 32 The following table shows the project actual expenditure against the approved budget:

Agenda Item 6

	April 2020	February 2022	
	Approved Budget	Approved Budget	Actual
Construction	£18,388,558	£20,575,698	£20,821,776
Consultants	£766,729	£1,067,661	£1,264,222
Fees and Charges	£57,405	£57,405	£57,405
Contingencies	£657,308	£1,164,614	£0
Orchards Academy	£130,000	£130,000	£130,000
Total	£20,000,000	£22,995,378	£22,273,403

- 33 The project 12-month defects liability period ended in February 2023 for phase 1 and October 2023 for phase 2. The project budget has been fully reconciled. It is clear that the cost pressures experienced could not have been foreseen and were beyond the Council's control. Legal advice to recuperate these costs was obtained, but contract complexities would result in a protracted legal process with a limited chance of success.

27-37 High Street, Swanley (2023 handover)

- 34 The project involved the demolition of redundant premises to redevelop the site with 17 residential units, a business hub, communal garden, and parking.
- 35 The political and economic uncertainties following Brexit were such that construction costs and low residential sales market values in Swanley meant that the scheme was not viable to commercial developers and only marginally viable if SDC built it out itself.
- 36 In August 2020, a government grant of £1.49 m was approved to the project which necessitated an accelerated delivery programme. In November 2020, Council approved the scheme with estimated budget of £5,624,039 following which a contract was awarded for the demolition works. Tenders for the new build construction were evaluated revealing costs had increased sharply due to Covid-19 and Brexit. Value engineering was undertaken to make savings where possible. In March 2021 Cabinet approved £490,000 additional funding allowing the design and build contract to construct the scheme to proceed.
- 37 The total approved budget was £6,114,039 approved in March 2021.
- 38 The demolition works were hindered by discovery of an unrecorded live gas main, hidden basements not identified in the pre-works surveys, water main malfunction and temporary propping complexities. Despite early engagement with utility providers and paying upfront to expedite and undertaking utility searches and due diligence, the project experienced significant challenges and delays procuring gas, electric and water utilities. This has been noted to be an industry wide issue, with utility companies placing undue cost and programme issues on projects, with developers/contractors having limited recourse. Despite the Council seeking to proactively manage these activities, obtaining action from the utility providers proved challenging and necessitated matters being escalated with MP and CEO involvement.

- 39 Despite the challenges of undertaking a major construction project through Covid-19, post Brexit and with significant utility procurement setbacks, the project was delivered within the approved £6.11m budget.
- 40 The project is currently in the 12-month defects liability period which ends 3 July 2024.

Stangrove Development, Edenbridge (phased handovers over 2023/2024)

- 41 The project involves the development of seven sites within Stangrove Park, Edenbridge, to provide seven off-street, communal car parks, a new community shop, improvements to landscaping and 13 residential units. Currently, 3 of the parking sites are operational (opened as programmed) and the residential sites are programmed for phased handover in January and February 2024.
- 42 The total approved budget was £4,312,743 approved in November 2021.
- 43 Challenges have included delays in the delivery of BT and UKPN utilities outside the control of the project, the staircase supplier going into liquidation, Quercus Housing unplanned purchase of 8 residential units, bad weather and local resident aggravation.
- 44 Late changes to the specification, such as a change from gas fired boilers to air source heat pumps, additional landscaping and disabled parking requested by residents (post commencement of construction) have been managed within the contingencies set aside for the project.
- 45 Despite the challenges, the project is on track to be delivered within the approved £4,312,743 budget.

Farmstead Drive, Edenbridge (completion due 2026)

- 46 SDC is providing a wide ranging community benefit redevelopment constructing a new community hall and retail premises, as well as an enhanced play area, landscaping and additional 41 car parking spaces to serve the wider estate. All of which represent significant planning and community benefits for the local community and residents but come at significant cost, of which arguably a mainstream private developer would not be providing.
- 47 A report was provided to FIAC on 5 September 2023. The report noted that the cost of the project had significantly increased since the original estimate given back in November 2021 due to increases in construction costs, interest rates and changes to the original scheme design following the extensive consultation undertaken with residents and key stakeholders. It recommended the total project budget be increased by £2,741,785 to £10,351,405 which Council approved on 17 October 2023.
- 48 Based on the stakeholder and public consultation responses, the initial plans were revised to include:

Agenda Item 6

- Fewer new homes
- Additional parking spaces for residents throughout the Estate
- Improved play provision
- A community hall that enables flexible use
- A new, modern community shop, and
- Other improvements including better signage and landscaping.

49 It was pointed out within the report that at the time of the Council's decision in November 2021, interest rates from the Public Works Loan Board (PWLB) were circa 1.5% and had increased to 5%. Construction materials also experienced significant inflationary pressures of up to 30% since January 2022 (further information and evidence of this is provided at Appendix B). These conditions unfortunately eroded the previous contingency and profit margins for the scheme and ability to provide affordable housing. The following table provides an elemental cost breakdown for the project and the variances between the originally approved budget and the currently approved budget.

Elemental Cost Plan Items	Approved Budget - November 21	Approved Budget - October 23	Difference (+/-)
Total Building works including demolitions, abnormals, preliminaries	£4,753,000	£8,566,646	+£3,813,646
Project/Design Team fees & client contingency	£628,000	£386,123	-£244,877
Risk & Inflation Allowance	£1,420,000	£433,354	-£986,646
Marketing, legal and Sales fees	£218,044	£159,001	-£59,043
Financing Fees	£187,942	£476,918	+£288,976
CIL/S.106	£302,634	£329,363	+£26,729
Totals	£7,609,620	£10,351,405	+2,741,785

50 Back in November 2021, it was reported that an external cost consultant (Playle & Partners) was appointed to advise on the scheme's original estimated costs. The total estimated build cost was expected to be circa £4.753m and the total project cost £7,609,620. The table above provides a high-level outline of the original cost elements within the approved budget back in November 2021, compared to the latest approved budget back in October 2023.

51 The largest cost difference is related to the total building works cost which includes the construction of the Community Hall and Convenience Store to a higher specification which alone costs around £950,000 and £305,000

- respectively. The Community Hall is more expensive than the rest of the scheme, due to the single storey, ventilation requirements, roof design, steelwork, acoustic roof, floors, and partitions. These additional costs only became evident once detailed construction designs were prepared and the contractor was able to advise on buildability. The total external works sum which includes enhanced and improved landscaping and open space areas, including the additional parking (41 spaces) that are now being provided to serve the wider estate costs around £878,000.
- 52 These elements and the general increase of construction materials have all contributed to the increase to the schemes build cost. It's important to note that despite this, due to an extensive value engineering exercise, the Contractor was able to identify and apply £828,000 of savings to the final fixed construction sum price.
- 53 The Risk and Inflation allowance has been significantly reduced from the original estimate. Being aware of the budget pressures for the scheme the Contractor has taken a commercial view and reduced its tender and construction inflation allowance by £197,000 (from 6% to 3.5%). The Financing cost has substantially increased due to the interest rates from the Public Works Loan Board (PWLB) increasing from circa 1.5% back in November 2021 to now 5%.
- 54 The Contractor is also prepared to take the full risk on significant cost elements to the scheme and the fixed price construction sum agreed is inclusive of these risks associated with ongoing inflation, all utility diversions, disconnection and new connection costs, structural redesigns and Passivhaus savings.
- 55 The Council was successful in obtaining grant of £375,000 from the Brownfield Land Release Fund. A key requirement as a condition of the grant was for the Council to be in contract with a contractor by the 31 March 2023. A Two Stage tender process was undertaken to engage a Contractor earlier in the design process to assist in exploring cost savings, ensure buildability and to enter into the formal Pre-Construction Services Agreement for the enabling works package ahead of the 31 March 2023 deadline. This was executed on the 28 March 2023.
- 56 This approach allowed the Contractor to undertake the final detailed design development stages from the planning submission documents and undertake the value engineering cost savings exercise to help the SDC arrive at the fixed construction sum price we have negotiated on.
- 57 The Pre-Construction Services Agreement has been accordingly staged to minimise risks and the Council is not contractually required to award the main construction works component of the tender until it is satisfied with the final price, has obtained planning permission and the scheme remains viable. Planning permission (subject to the completion of the necessary s106 agreement) was achieved on 17th August. Following Council approval for the additional funding the Council is now proceeding with entering into the main construction works contract with the contractor.

Agenda Item 6

- 58 A Project Team has been set up within the Council and is being supported by external consultants. In particular, the Council has appointed a specialist cost consultancy firm to act as Employers Agent and Quantity Surveyors (QS). A programme of expected expenditure/cash flow is put in place to help forecast and monitor planned expenditure going forward. Valuations as to work undertaken by the Contractor will be carried out monthly and scrutinised and certified by the Council's appointed QS.

Market Intelligence Evidence

- 59 Throughout the project, the project team maintained a close watching brief on construction prices. "Appendix B: Construction Products and Supply Chain Inflation Report" updated December 2022, attached, sets out the unprecedented risks that the construction industry faced during the project construction tender period. These included the impact of the Russia-Ukraine war, rising energy costs, covid-19, Brexit, and industrial action. The key risks were rising material, fuel, energy, and shipping costs as well as material shortages and delays. Close to 17,000 construction related businesses were at significant risk of insolvency due to rising construction costs, high levels of inflation and rising interest rates on debt.
- 60 "Appendix C: Construction Build Cost Market Intelligence Quarter 1 2022 (SCF)" attached, is market intelligence gathered from the construction industry. The analysis identifies changes in tender workload, number of employees, building costs and material and labour availability to highlight key areas of risk that may impact on project delivery.

Key Implications

Financial

- 61 The capital programme has expanded rapidly within the last few years as the Council seeks to deliver an ambitious capital programme.
- 62 This has brought financial challenges as most capital schemes are delivered over several financial years and require complex funding solutions from multiples sources such as capital receipts, internal borrowing, and external loans.
- 63 In recent years both construction costs and interest rates have increased as the impact of inflation is felt which makes it a greater challenge to deliver schemes that are financially viable.
- 64 As revenue budgets are put under pressure there is a reduced capacity to fund schemes through the Council's revenue budget and a recent change to the PWLB lending criteria has meant that the Property Investment Strategy was

paused as PWLB Loans cannot be taken for the purpose of pure income generation.

- 65 Finally, VAT implications need to be assessed to ensure the Council is making effective use of VAT legislation.

Legal Implications and Risk Assessment Statement

- 66 There are no key legal implications arising from this report. Details relating to legal issues with each project are set out in the report or the previous individual reports for each project.

Equality Assessment

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

Net Zero Implications

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

Conclusions

- 69 This report provides an overview of the cost pressures that Sevenoaks District Council (SDC)'s capital projects have encountered. In recent years, factors in the external environment beyond the Council's control have had significant impacts on our projects. Covid-19, Brexit and the Russian-Ukrainian War have significantly impacted supply chains and labour markets resulting in increased costs and delays to projects and high inflation and interest rates. These impacts have all been closely assessed by the project team and variances have all been reported through the project governance protocols.
- 70 The report demonstrates that SDC is effectively managing its portfolio of capital projects. It has robust project, cost and risk management control measures in place. The Governance arrangements in place also allow for effective project management and direction, allowing issues to be scrutinised at various stages of the project's lifecycle and at various levels of reporting. The escalation process in place also allows matters to be responded to in an agile and effective way.

Agenda Item 6

- 71 While certain projects have experienced significant challenges caused by external factors, the capital projects have and are being delivered with appropriate levels of diligence and control. It is also encouraging to note that projects have been delivered within budget, to quality and to programme and that lessons are being applied to current and new projects.

Appendices

Appendix A - Project Management Approach and Overview

Appendix B - Construction Products and Supply Chain Inflation Report updated December 2022

Appendix C - Construction Build Cost Market Intelligence Quarter 1 2022 (SCF)

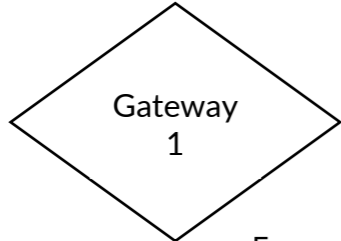
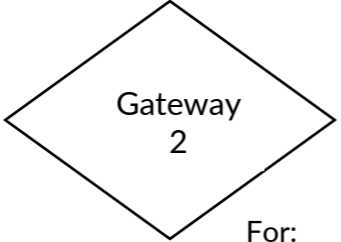
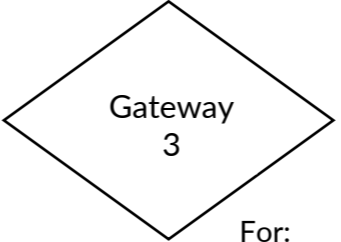
Background Papers

[06b - WOLC Cabinet Report-Feb22 Final.pdf \(sevenoaks.gov.uk\)](#)

<http://cds.sevenoaks.gov.uk/documents/s54428/11-%20Farmstead%20Drive%20Committee%20Report%20Updated.pdf?J=1>

Detlev Munster, Strategic Head of Property & Commercial

Project Management Approach and Overview

	Initiation	Feasibility	Planning & Design	Technical Design & Construction	Handover & Closure	
RIBA	0, 1	1, 2	3, 4	4, 5	6, 7	
Key Project Outputs	<ul style="list-style-type: none"> Client requirements (outline) Outline business case Asset review 	<ul style="list-style-type: none"> Options appraisal/analysis Project brief Pre-feasibility study Desktop site surveys Report on title Concept design Procurement approach Initial cost plan/financials 	<ul style="list-style-type: none"> Design studies/analysis Outline specs Cost plans Consultant briefs/procurement Detailed site investigations Planning docs Consultation material 	<ul style="list-style-type: none"> Final spec Technical designs Room data sheets Building systems Discharge planning conditions Building contracts Project performance Building regs applications 	<ul style="list-style-type: none"> Building materials Training Snagging Aftercare Final certificates Asset register updates PC certs Defects list Fire risk assessment 	
Approvals	<ul style="list-style-type: none"> CPB review CPRM review SMT approval <div style="text-align: center;">  <p>Gateway 1</p> </div> <p>For:</p> <ul style="list-style-type: none"> Feasibility only Project team 	<ul style="list-style-type: none"> CPB/CPRM review SMT approval Committee review Cabinet approval <div style="text-align: center;">  <p>Gateway 2</p> </div> <p>For:</p> <ul style="list-style-type: none"> Scheme Budget Planning permission Procurement 	<ul style="list-style-type: none"> CPB/CPRM review SMT/delegated approval Committee review Cabinet/Council approval <div style="text-align: center;">  <p>Gateway 3</p> </div> <p>For:</p> <ul style="list-style-type: none"> Final scheme Budget confirmed Inform tender returns 	<ul style="list-style-type: none"> Exception reporting only and update reports through highlight reports and Programme Dashboard Portfolio-holder and committee updates 		
Project Management Products	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Mandate</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Project Initiation Document</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Project Budget</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Risk Register</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Project Programme</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Change Control Procedures</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Highlight Reports</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Comms Strat/Plan</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">High Level Outline</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Update with PEP</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Update</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Outline</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Update</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Detailed update</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Update & monitor</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Update</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Monitoring</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Update & monitor</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Monitor</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">✓</div>	
Key Milestones	<ul style="list-style-type: none"> PID Outline business case Project team (Internal) 	<ul style="list-style-type: none"> Project set-up Cabinet approval Concept designs 	<ul style="list-style-type: none"> Contractor/Developer procured Detailed scheme 	<ul style="list-style-type: none"> Start on site Planning conditions discharged 	<ul style="list-style-type: none"> Operational Manuals Training 	

		<ul style="list-style-type: none">• Procurement• Planning permission		<ul style="list-style-type: none">• P.C	<ul style="list-style-type: none">• Occupation
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**Construction Products and Supply
Chain inflation report
Updated 16th December 2022**

Executive summary:

- The construction industry is currently facing unprecedented risks attributed to the impact of the Russia-Ukraine war, Rising Energy Costs, Covid-19, Brexit and Industrial Action. The key risks we are facing are rising material, fuel, energy and shipping costs as well as material shortages and delays due to reduced shipping capacity to the UK, overseas Covid 19 lock downs and industrial action at key UK ports.
- Rising Energy Costs are a key risk to many of the manufacturing markets and are currently the main driver behind increasing pricing structures within product groups such as bricks, terracotta, glass and aluminium. Economic analysts have forecast that such rapidly rising energy prices could push UK inflation as high as 18% next year, the highest rate in almost 50 years.
- Construction News reported that close to 17,000 construction related businesses are at “significant risk” of insolvency due to rising construction costs, high levels of inflation and rising interest rates on debt.

The following report provides further insight to the various markets and the apparent risk of each market to the construction industry, as well as forecasting where the markets may head in the next 4 to 8 weeks.

Key changes this month:



- **Steel Reinforcement** pricing has reached the bottom of the market at €980.00 Per Tonne. There remains a large amount of uncertainty in the market from Mills, Fabricators and Importers with prices starting to rise and forecast to continue. The removal of energy support for businesses in the UK from 31st March 23 is a risk as pricing is forecast to substantially increase in line with this withdrawal.
- **Structural Steel** remains at Amber as demand has continued to reduced during November and early December, however caution should be applied as Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases.
- **Steel Profiles** have moved from Amber to Green due to pricing reaching a stable and constant position
- **Aluminium** remains at Amber, however pricing is starting to take an upward trend. During November Aluminium has increased from \$2,215.00 Per Tonne to \$2,461.00 Per Tonne. The forecast in the market is that costs will continue to rise during the early months of Q1 23.
- **Plasterboard** has moved from Amber to Green due to stabilisation in supply to market and forward notification and greater visibility of pricing levels.
- **Facing Brick** demand has continued to reduce. Caution should still be applied as Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases and increase the threat of factory closures during the colder months of 2023.
- **Energy** pricing has increased during December, with wholesale pricing for Gas reaching a high of 372p per therm on 7th December and Electricity reaching a high of 394p per therm on 8th December

RAG risk summary

Material	RAG	Summary
Steel reinforcement	RED	Pricing to the market has reduced in line with a reduction in demand and a strengthening foreign exchange between GBP and USD. However, scrap dealers have increased pricing and coupled with high energy, fabrication and shipping costs, the commercial benefit of a reduction in demand is limited as the market price and base cost are almost equal. Pricing has already started to increase and is forecast to continue to rise during December 22 and January 23
Cement	RED	Rising Energy costs are forcing cement production costs upwards which will be reflected in market wide price increases in the coming months. These increases will impact Cement, Ready Mix Concrete, Ready Mix Mortar and Pre-Cast Concrete Products. Precast products to increase by 5% to 19% in January 23
Bricks	RED	Demand has reduced and the manufacturers are now reviewing pricing structures once more with a view to filling their order books. Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases and increase the threat of potential for temporary plant closures
Structural Steel Sections	AMBER	Market demand and pricing has reduced during November and early December, however Scrap and Iron ore pricing has increased. Caution should be applied as Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases.
Aluminium profiles	AMBER	The cost of Aluminium on the London Metal Exchange (LME) has increased continued to increase during November from \$2,215.00 Per Tonne to \$2,461.00 The forecast in the market is that costs will continue to rise during the early months of Q1 23.
Glass	RED	Raw material shortages leading to increased demand and Raw material prices continue to increase. Some manufacturers are applying Energy Surcharges to their pricing, which is linked directly to the Gas Index. Price for the following month.
Plasterboard	GREEN	Supply of materials now returned to normal and allocation system has been removed. Status has returned to Green although price increases are pending for Jan 23, these increases are known and can be mitigated.
Steel profiles	GREEN	HRC pricing has continued to fall during November with European, North American and Chinese markets all showing cost reductions and returning to pricing levels in line with this same point during 2021. HRC This category has moved to Green due to pricing reaching a stable position.
Gas	RED	During early December gas pricing has increased. November closed out at 330p per therm and measured on 7 th December gas had reached a price of 372p per therm.
Electricity	RED	Electricity Market tracks the gas market and pricing has increased during early December. November closed out at 340p per therm and measured on 8 th December Electricity had reached a price of 394p per therm.
Semi-conductors	RED	Global shortage resulting in extended lead times and higher costs for our IT and electronic equipment.

RAG status summary

Material	Fast link to report page	Trades affected
Steel reinforcement	Steel reinforcement	RC frame, groundworks, civils
Steel sections	Structural steel sections	Structural steel frame
Steel profiles	Steel profiles	Drylining, fit-out, SFS
Cement	Cement	RC frame, groundworks, civils, brickwork
Bricks	Bricks	Groundworks, brickwork, envelope
Aluminium profiles	Aluminium profiles	Curtain walling, punch hole windows
Glass	Glass	Curtain walling & Window Systems
Plasterboard	Plasterboard RAG	Drylining, fit-out
Gas	Gas	General impact on all business
Electricity	Electricity	General impact on all business
Semi-conductors	Semi-conductors	General impact on all business



Steel reinforcement

RAG Status: **RED**

Trades affected

- RC Frame
- Groundworks
- Substructure

Current market position

- Current UK Rebar Market is c1.2m Tonnes per Year (c.650,000T UK produced).
- Ukrainian, Belarusian and Russian Quota Allocation now split between EU and Turkish Mills
- Turkish Coil is now restricted to 3,000 Tonnes per Quarter whereas previously it was unrestricted
- The new Quota Allocation allows for c503,000 Tonnes of import per annum. This still leaves strain on supply in a 1.2m Tonne Market
- The New UK Import Quotas are:
 - EU Mills – 33,389 Tonnes Per Quarter (Stock Bar)
 - EU Mills – 70,644 Tonnes Per Quarter (Coil)
 - Turkey – 12,567 Tonnes Per Quarter (Stock Bar)
 - Turkey – 3,084 Tonnes Per Quarter (Coil)
- All Others – 7,142 Tonnes Per Quarter (Stock Bar)

Key risks

- Demand for materials
- UK Quotas
- Increased shipping costs
- Energy costs
- Raw Material Costs

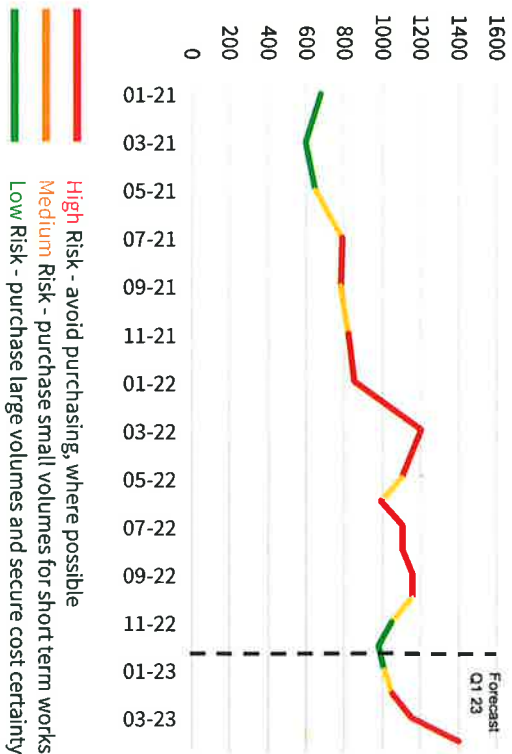
Changes on month

- Reduction in pricing to the market
- Caution regarding energy pricing beyond March 23

- Current UK Rebar Market is c1.2m Tonnes per Year (c.650,000T UK produced).
- Ukrainian, Belarusian and Russian Quota Allocation now split between EU and Turkish Mills
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 - Turkey – 3,084 Tonnes Per Quarter (Coil)
- All Others – 7,142 Tonnes Per Quarter (Stock Bar)
- It is estimated that over the next 2-3 years, large infrastructure projects will add around 300,000 to 400,000 tonnes of rebar into the market thus adding pressure to the situation
- Chinese and Middle Eastern rebar is now under consideration for import, however, the Chinese and Middle Eastern mills do not hold UK CARES sustainability credentials – this is a Risk to the UK Construction Market
- Pricing has reduced slightly due to a reduction in demand with current pricing levels between £980 and £990 Per Tonne
- Scrap pricing has increased during late November and early December. However, a strengthening foreign exchange (£/\$) has supported prices reducing slightly during November and early December.
- Caution should be applied to pricing as there is a high level of uncertainty in the market and European mills are reporting their base cost is now almost equal to Market Selling prices.
- Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will result in price increases. Early indication is £300-£400 per tonne!



Steel reinforcement tracker £ per tonne



Structural steel sections

RAG Status: **AMBER**

Trades affected

- Steel frame

Current market position

- Market demand has continued to reduced during November and steel mill order books are looking weak for early 2023 as stock holders have stocks readily available
- Pricing today is c15% lower than in November 2022
- Iron Ore pricing has increased during November and into early December, moving from \$84 per tonne to \$110 per tonne
- Scrap pricing has increased during November and into early December, moving from \$350 per tonne to \$385 per tonne
- Caution should be applied as this market remains volatile and as Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases.

Changes on month

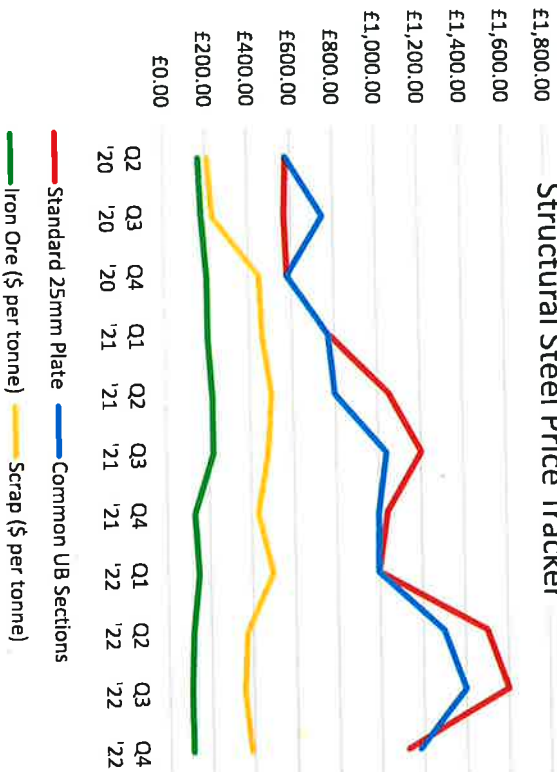
- Reduced market demand
- Reduction in pricing of UB Sections
- Reduction in pricing of Steel plate
- Increased pricing of Raw Materials

Risks

- Conflict between Russia and Ukraine
- Demand for materials
- Increased prices



Structural Steel Price Tracker



* Above price graph is materials only. Fabrication and Shipping are not included within these costs

Steel profiles

RAG Status: **GREEN**

Trades affected

- Dry lining
- SFS

Current market position

- Rising energy costs are a driving factor in the European Market price increases and High European dependency on Russian Fuels

Risks

- Conflict between Russia and Ukraine
- Demand for materials
- Increased prices

Changes on month

- No Change

- Shipping and Fuel costs continue to rise which will further impact on finished product costs

- EU HRC Mills applied a price increase during Feb & Mar as demand increased due to the "missing" volumes usually produced in Russia and Ukraine, ArcelorMittal have paved the way by looking for an uplift of over \$168 per tonne

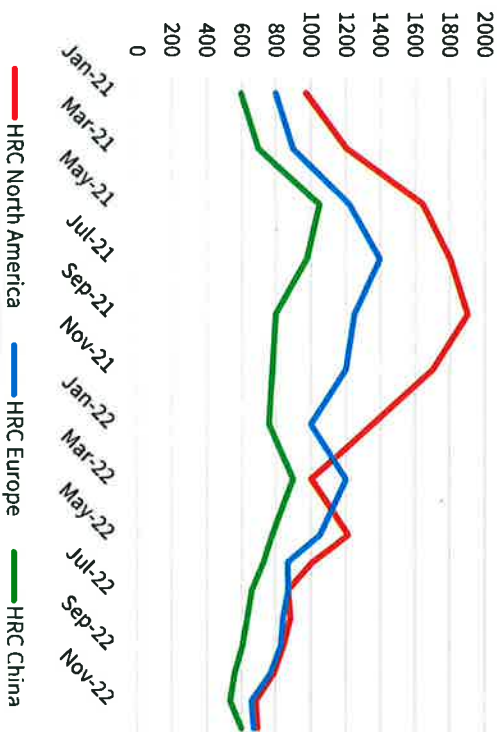
- Shortfall of material available from Russia and Ukraine may lead to material shortages if the other EU mills are not able to increase demand to cover the capacity

- Forecast that we will see price increases in the SFS and Drylining sectors in the coming weeks

- HRC pricing has continued to fall during November and has reached a stable position where fluctuation is up / down by \$10 per tonne.



HRC price tracker 2021 - 2022



Cement

RAG Status: RED

Trades affected

- Groundworks
- Civils
- RC Frame
- Brickwork

Current market position

- High European dependency on Russian Fuels: (*gas and oil*) are a risk to the market, natural gas is particularly vital as it fuels cements kilns as part of the production process.
- Increased gas costs will ultimately lead to increased production costs and thus increased finished material costs.

Risks

- Rising Energy Costs

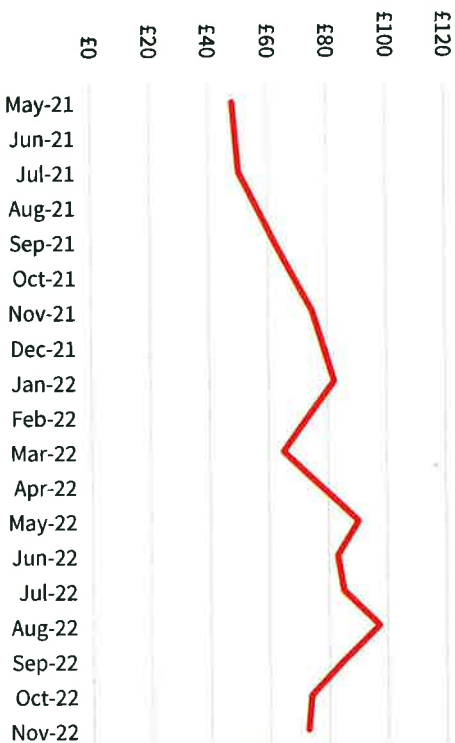
Changes on month

- No Change

- A price increase of 19% was applied to Cement in January 2022. A further price increase of 20% was applied to Cement from April 1 2022 and a further price increase was applied during October of between 10% and 15%
- Carbon credits have stabilised at between £73.00 and £75.00 per tonne (12th Dec 22 : £74.59 Per Tonne) therefore price increases are now being driven purely by energy costs.
- Raw cement, Ready-mix concrete, Ready-mix mortar and Precast concrete product producers have all announced price increase will apply early 2023.
- Precast producers have confirmed that January 2023 will see increases of between 5% and 19%
- A shortage of GGBS has increased pressure on cement demand as ready mix concrete providers are unable to blend cement and GGBS to produce mixes.
- GGBS pricing increased by c. £40 per tonne during Q3 which has again increased pressure on cement demand.



Carbon via UK ETS



Bricks

RAG Status: **RED**



Current market position

- High European dependency on Russian fuels (*gas and oil*) are a risk to the market, natural gas is particularly vital as it fuels brick kilns almost exclusively with very few exceptions.

Trades affected

- Groundworks
- Brickwork
- Envelope

Risks

- Conflict between Russia and Ukraine
- Demand outstripping supply
- Material shortages
- Unpredictable price inflation

Changes on month

- Risk of price increase if Energy Support in the UK is withdrawn 31/3/23

Current market position

- High European dependency on Russian fuels (*gas and oil*) are a risk to the market, natural gas is particularly vital as it fuels brick kilns almost exclusively with very few exceptions.

- Increased gas costs are impacting the market from certain suppliers as 'energy surcharges' over and above the agreed cost of the bricks.
- Some Italian manufacturers have incurred 1000% price increases from their gas suppliers, leading them to reduce production to a third of capacity.

- **Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases and increase the risk of less efficient UK based brick plants being mothballed during the colder months of 2023 to help deal with the high energy costs of production**
- Existing orders are working on a 10 to 20 week lead time for deliveries to site

- **Manufacturer imposed allocation systems are making it difficult for large private schemes with short programmes to obtain bricks within the desired timeframe. This could ease during 2023 with a downturn in the housing market leading improved availability of bricks from most manufacturers**

- Some brick types from the leading manufacturers are still being reported as not available until 2024

- Demand has reduced and the manufacturers are now reviewing pricing structures once more with a view to filling their order books. Some are actively re-negotiating the below applied price increases on a project specific basis.
- A potential down turn in the housing sector may allow for further price negotiations and a larger capacity to supply during 2023.

- Previously Imposed Price Increases, Q4 22:
 - lbstock 28.5% on 1st October 2022
 - Weinerberger 18.9% on 5th December 2022
 - Forterra 15.5% on 3rd October 2022
 - Vandersanden 32% 1st November 2022

Aluminium profiles

RAG Status: **AMBER**

Trades affected

- Curtain walling

Current market position

- The cost of Aluminium on the London Metal Exchange (LME) has increased continued to increase during November from \$2,215.00 Per Tonne to \$2,461.00
- The forecast in the market is that costs will continue to rise during the early months of Q1 23.

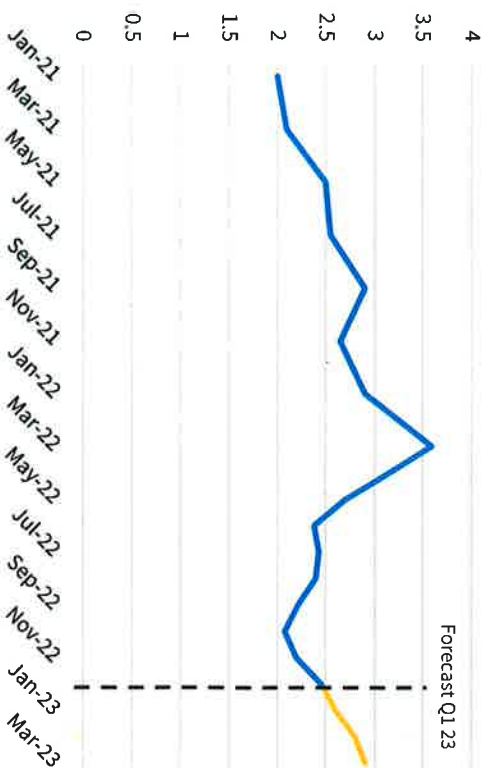
Risks

- Demand outstripping supply
- Rising cost of raw materials

Changes on month

- LME Aluminium price Increase
- The aluminium billet premium remains highly inflated which is being driven by over demand in the market since early 2021 and rising energy costs.
- Billet premium benchmarking :
2020 peak of \$350 per tonne
2021 peak of \$1,175 per tonne
October 2022 cost was £1,400 per tonne
- Supply chain intel suggests that price increases are unavoidable in the coming months, with some UK extruders already applying increases of over £200 per tonne.
- Energy is a driving factor in current pricing structures and intel from the supply chain forecasts that operational energy costs will have increased by approximately 300% from Q1 2021 to end Q4 2022.

Aluminium price per tonne (\$m)



Glass

RAG Status: **RED**

Trades affected

- Curtain walling & Window Systems

Risks

- Rising Energy Costs
- Raw Material Shortages
- Conflict between Ukraine & Russia

Changes on month

- No Change

Current market position

- Strong UK Pipeline with manufacturers operating selectively to ensure they can meet the current demand.
- Raw material shortages leading to increased demand and pricing of both PVB (*Polyvinyl Butyral*) and Soda Ash
- Raw material prices are also increasing linked directly to the UK Carbon Tax Credit costs
- Russian Manufactured Glass now banned from the European Market which has increased demand on UK and European manufacturing plants
- Some manufacturers are applying Energy Surcharges to their pricing, which is linked directly to the Gas Index Price for the following month.
- Float and Coated Glass manufactured in UK as well as Europe. UK market uses a mix of routes to market.



Plasterboard

RAG Status: **GREEN**

Trades affected

- Drylining

Risks

- Future Price Increases

Changes on month

- No Change

Current market position

- Plasterboard availability has stabilised and lead times have now returned to 3-5 days from receipt of order.
- Caution should still be applied to lead times as front loaded programmes to avoid the pending January 2023 price increases could create a false demand in the market and unexpectedly extend lead times.
- Volatile market as further price increases are announced and will apply from 1st January 2023, making it difficult to gain cost certainty against budgets already allowed for on our projects.
- British Gypsum, Siniat and Knauf Drywall have announced price increases of up to 18% from January 1st 2023.
- Siniat have announced an allocation system from 7th November 2022 to help them safeguard stocks from increased “distributor stock” ordering to avoid the January price increase. Allocation system is not deemed to impact on current live project work.



Gas

RAG Status: **RED**

Wholesale gas market day ahead
(spot) price (price per therm)



Current market position

Trades affected

- All

Risks

- Wholesale market increases
- Demand outstripping supply

Changes on month

- Gas pricing across Europe have increased during December

6th June 2022

- There are concerns over a cut in Russian gas supply to Denmark and Netherlands combined with slowing LNG arrivals to Europe

21st June 2022

- Flows from Russia into Germany and Italy reduced, feeding concerns in the market of shortages this winter.

23rd August 2022

- Large spike in pricing due to North Sea outages and announcement of maintenance being carried out on Nordstream 1 from 31st August for 3 days. Significant concerns that flows may not return.

21st October 2022

- Oversupplied system, above-normal temperatures and plentiful LNG supplies for remaining of October and November has seen market fall

3rd November 2022

- The government has announced a new Energy Bill Relief Scheme during September (subject to parliamentary approval) that aims to help businesses with their energy costs. The scheme will support eligible businesses with their energy costs between 1st October 2022 and 31st March 2023. Under the scheme, the government will provide a discount on wholesale gas and electricity prices for all eligible non-domestic customers.

17th March 2022

- Wholesale market has fallen this week on the basis of mild weather (reduced consumption), strong supply (continued from Russia into EU and alternative sources such as US) and hope for progression in peace talks between Russia and Ukraine. Future supply risks remain.

24th March 2022

- Market increasing again on news that Russia have stated that 'unfriendly' countries will have to pay for gas in Rubles.

21st April 2022

- Second phased assault from Russia in Donbas region has created concern in the market, resulting in further increases.
- Concerns continue over whether Russia will continue to accept payment for Gas in Euros.
- Vessels of LNG from Qatar, US and Peru due to land in April.

11th May 2022

- Shipments of LNG, milder weather and an over supplied gas market has seen the market fall to near "normal" levels
- European Commission to present plan on acceleration of renewables on 18th May

24th May 2022

- Sharp fall in gas price was due to excess gas supply in UK but due to limited storage facilities and the majority being sold to mainland Europe, the price

Electricity

RAG Status: **RED**

Trades affected

- All

Risks

- Wholesale market increases
- Demand outstripping supply

Changes on month

- Electricity pricing across Europe have increased during December

Current market position

- **24th March 2022**
 - Low wind generation and lower than seasonal average temperatures expected for w/c 28th March pushing market higher.
- **21st April 2022**
 - Warmer temperatures and high wind generation have resulted in falling prices.
 - However, below seasonal averages and low wind in coming days could see increases.
- Electricity market continues to largely track gas market
- Contract unit rates (day) varying between 34p and 42p depending on HV / LV, duration and volumes
- **6th June 2022**
 - Relatively low wind generation across Europe and a rise in Gas pricing has resulted in the Electricity market following the same trend.

Wholesale electricity market day ahead (spot) price (£/MWh)



23rd August 2022

- Continuing trend of tracking gas market - big concerns over surety of supply of gas significantly impacting market and resulting in low liquidity for suppliers and limiting market trading

21st October 2022

- Electricity Market tracks the gas market: Mild temperatures are having positive effect on markets, however low wind generation offsets this somewhat. Q1 '23 futures price very high due to continued uncertainty

3rd November 2022

- The government has announced a new Energy Bill Relief Scheme during September (subject to parliamentary approval) that aims to help businesses with their energy costs. The scheme will support eligible businesses with their energy costs between 1st October 2022 and 31st March 2023. Under the scheme, the government will provide a discount on wholesale gas and electricity prices for all eligible non-domestic customers.

Semi-conductors

RAG Status: **RED**



Trades affected

- Sir Robert McAlpine

Risks

- Global shortage of semi-conductor chips
- Extended lead times
- Rising costs

Changes on month

- No Change, still a global shortage

Current market position

- Global shortage of semi-conductor chips still relates to a fire at largest supplier in October 2020 in Japan and the pandemic, where we saw an increase in remote / mobile working, hence a higher demand for devices (laptops, mobile phones, games consoles, etc.)
- Production in Japan was due to stabilise at the end of this year, however the recent earthquake has shut down production again.
- The chips take three months to manufacture, therefore there is no quick solution to the shortage and subsequent backlog.
- There is also the political impact being felt between the US and China. An example is Huawei, which supplies to US chip-makers, has been blacklisted by the US government, thus adding further pressures to the market.
- Semiconductors are a vital component of many building and infrastructure systems.

- The risk to timely delivery of projects has been growing as the chip crisis has intensified.
- For buildings in particular, MEP installations and fit-out elements are exposed.
- The Construction Leadership Council's Products Availability Group has recently warned about the limited availability and long lead-in times for key elements such as boilers, white goods and lighting systems.
- Critical systems including fire detection and alarms are also at risk.
- Concern around oil and any potential sanctions that may be employed by the US, EU and others against Russia, the world's second-largest producer of crude oil.
- The world leader in semi-conductor production, Asia, rely heavily on Russian oil.

Key sustainability risks

RAG Status: **RED**

Risks

- Materials from Russia and Belarus used on projects since the outbreak of war in Ukraine. Russian timber accounts for a sizeable section of UK softwood, hardwood and plywood imports.
- Material substitution.
- Use of the same product, but supply chain switch sourcing to an unverified supply chain.
- As labour shortages increase (in the UK), supply chain partners could be forced to seek labour from unverified sources. This then raises concerns over competency of labour, legality of labour and the practices from 'employers' with the supply chain.

Current market position

- PEFC has deemed all timber originating from Russia and Belarus as "conflict timber" – this will be in place for initially six months. FSC has yet to act but has said what is occurring goes against their values and more information on what they propose will be released in the coming days.
- Price increases could lead to supply chain partners seeking alternative solutions.
- Material shortage could lead supply chain partners seeking alternative solutions, to avoid delays. Arnold Laver has already stated that *'due to major shortages we are having to plug gaps with any grade / certification we can find...it's very difficult in the current climate to give any guarantee of certification.'*
- Use of alternative supply chains which are unverified could lead to quality issues and concerns over lack of sustainability certification, e.g., non CARES or BES 6002 certified steel and non FSC or PEFC certified timber.
- Non-certified materials not only impact the ability for project teams to achieve Build Sure but they can jeopardise the achievement of building standards such as BREEAM.
- Use of alternative supply chains could increase risk of the presence of unethical / illegal labour practices.
- Chinese and Middle Eastern rebar is now under consideration for import, however, the Chinese and Middle Eastern mills do not hold UK CARES sustainability credentials

Mitigation measures

- Sustainability team has been made aware of the update to PEFC classification of timber originating from Russia and Belarus.
- Promote the use of SRM Strategic Material Framework Agreements to ensure our subcontract supply chain are working with pre-vetted and approved suppliers who hold all of the relevant certifications for their sector.
- Encourage forward forecasting and scheduling of required materials to secure continuity of supply and mitigate any potential bottlenecks or shortages of materials.
- Ensure certification (CARES, FSC, PEFC, etc.) is obtained before material order and checked with each delivery arriving on site – direct and via our subcontractors.
- AH has raised the risk with the Build Sure Sustainability Team.
- Third-party supply chain audits (supply chain partners processes and procedures in regard to labour practices are assessed).

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Shaping public
construction

Page 71

SCF Market Intelligence Q1 2022

Agenda Item 6

Quarterly report based on data from our main contractors and their supply chain.

Contents

[Introduction](#)

[Tender Workload](#)

[Employment](#)

[Building Cost](#)

[Material Availability](#)

[Looking Ahead](#)

[SCF Consult - Reflective Note](#)

[Responsible Procurement](#)

Introduction

Q1 Market Intelligence Report



As part of SCF's commitment to collaboration and transparency, every quarter, SCF Main Contractors gather market intelligence from the construction industry through their trade supply chains.

Although Covid-19 restrictions have become increasingly lenient during the first quarter of 2022, the construction market continues to experience volatility derived from a variety of stressors. The invasion of Ukraine has resulted in a wave of unforeseen market impacts across the sector that have continued to prevent a return to stability.

As a result, it remains crucial for public sector clients to develop a deeper understanding of the current market conditions when procuring their projects. This will ensure the best possible cost and time outcomes as budgets come under ever-increasing stress.

To this end, SCF market intelligence analyses data across 10 key trade packages. Data is collected across four cities within the south of the UK. The analysis identifies regional market trends and forecasts for the following year by commenting on changes in tender workload, number of employees, building costs and material & labour availability.

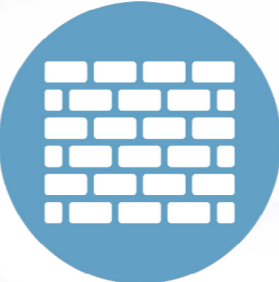
SCF shares this information with its clients to highlight key areas of risk that may impact on project delivery. SCF Main Contractors and Clients can use this information to predict pressures and opportunities in the market, to make decisions about material specification, construction methodology, off-site or automated construction techniques and project planning and programming, ensuring the best possible decision making to deliver maximum value.

This data, combined with SCF's integrated team approach, maximises the benefits of the two-stage open book process, ensuring predictable and high-quality outcomes for our clients and their communities.

Trades featured



Carpentry & Joinery



Brickwork



Curtain Walling



Dry Lining



Groundworks



Concrete Frames



Mechanical & Electrical



Steelwork



Tower Cranes



Windows

Get in touch...

To discuss the SCF procurement process or a particular project you have in mind, please contact our Operations leads.



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Tender Workload

In alignment with the “Build Back Better” initiative, throughout 2021, SCF Main Contractors and their trade supply chain identified tender workload to increase upon each quarter. This trend of high demand has continued during the first quarter of 2022.

SCF Main Contractors and their trade supply chains have identified tender workload to have increased by an average of 5% during Q1 alone, this is now an average 9% higher when compared to this same time last year.

In support of strong pipeline, SCF Main Contractors observed the greatest quarterly increase in tender workload for the following trades:

- Groundworks 10%
- M&E 8%
- Dry Lining 8%
- Carpentry & Joinery 6%

A recent Glenigan publication has identified an 11% increase in planning approvals during Q1 when compared with the previous 3 months. Since March 2021, the construction industry has observed long lead times and inflationary pressures derived from high demand and Covid-19 impacts, this in turn limited the number of projects progressing to site.

The construction sector was anticipating New Orders and Start on Sites to pick up during the 2022 as recovery from the pandemic progressed and long lead times eased.

Nevertheless, in reality, the unforeseen invasion of Ukraine and escalating energy costs has further destabilised the industry through high inflationary pressures and limited material availability, resulting in a lack of confidence in project progression. For example, the number of projects progressing to site has reverted back to a similar rate of which was observed during the first national lockdown, with a 17% decrease when compared to the previous 3 months (ONS data).

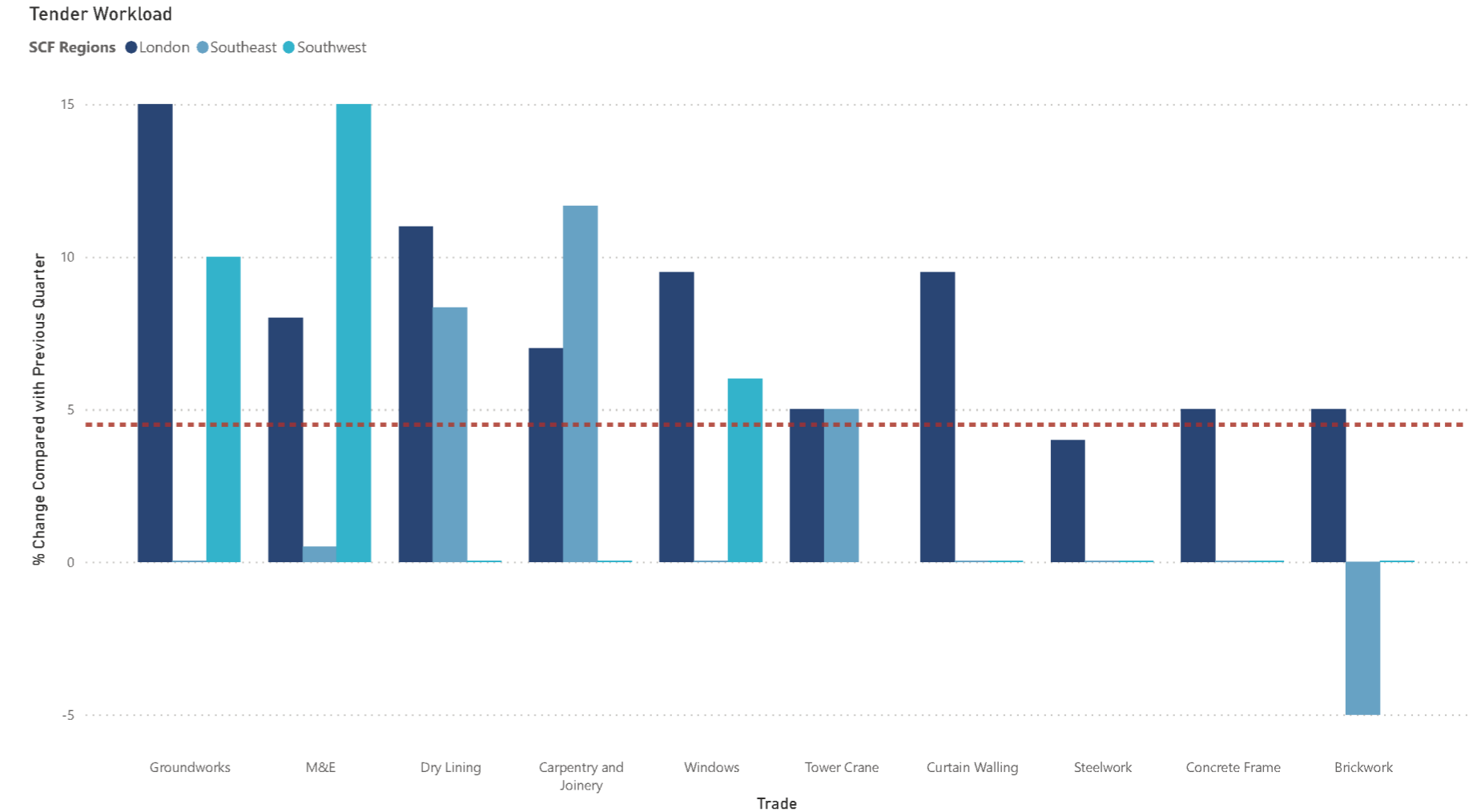
As long as a disconnect remains between high tender workload and commencement on site, recovery will be slow over the coming months.

SCF Top Tips

“ *With a combination of high tender workload and volatile price increases, it is becoming increasingly important for projects to appear attractive to the supply chain. As recommended by the Construction Playbook, share your pipeline and upcoming projects with the market. Boost visibility and interest in your project, allow contractors to align their resources with your scheme to ensure the best levels of interest and competition.* ”

“ *SCF Main Contractors use a procurement portal, Local Supply Chain, to source work packages. They have access to over 27,000 suppliers listed on the database, providing a resilient and diverse supply chain community that can be used to robustly engage local suppliers.* ”

Tender Workload (% change since Q4 2021)



Employment

At the end of 2021, SCF Main Contractors and their trade supply chain forecasted a 6.5% increase in employment throughout 2022 in order to support an expected increase in new orders and commencement to sites. However, following the invasion of Ukraine and the resulting volatile market, the supply chain's confidence to recruit has halted.

As a result, in reality, SCF Main Contractors have identified a minimal increase in employment throughout Q1, with an average 1.5% increase in the number of employees across all trades.

SCF Main Contractors have observed changes in employment to be varied amongst trades, with a maximum increase of 6% (Groundworkers) compared with no change at all (tower crane).

This survey collects the change in the number of employees amongst the supply chain each quarter, and as a result will not reflect vacancy rates and the impact of the industry-wide skills shortage. This data will not necessarily capture those businesses that have found themselves losing staff upon the same rate of which they recruit.

In September 2021, the construction industry recorded its highest vacancy rate since 2001. The loss of EU workforce derived from Brexit has added to the challenge of sourcing skilled labour. This is of particular concern in cities such as London, where data from the ONS has identified EU construction workers in London to have decreased by 54% between April 2017 and April 2020. As a result, the Mayor of London has requested the creation of a Coronavirus Recovery Visa, this would enable workers at least 12-months in the UK and be bespoke to the sector through flexible self-employment.

SCF Main Contractors have identified a minimal change in employment during the year, with an average 3% increase in the number of employees across all trades when compared to the same time last year.

Following the pandemic, many workers have chosen early retirement. This has exaggerated the skills shortage; of which was already vulnerable to an ageing workforce. Data from the CITB estimates that in order to deliver the pipeline in place for 2025, an additional 40,000 workers per year will need to be sourced into the construction sector.



Adam Sanford, Operations Lead

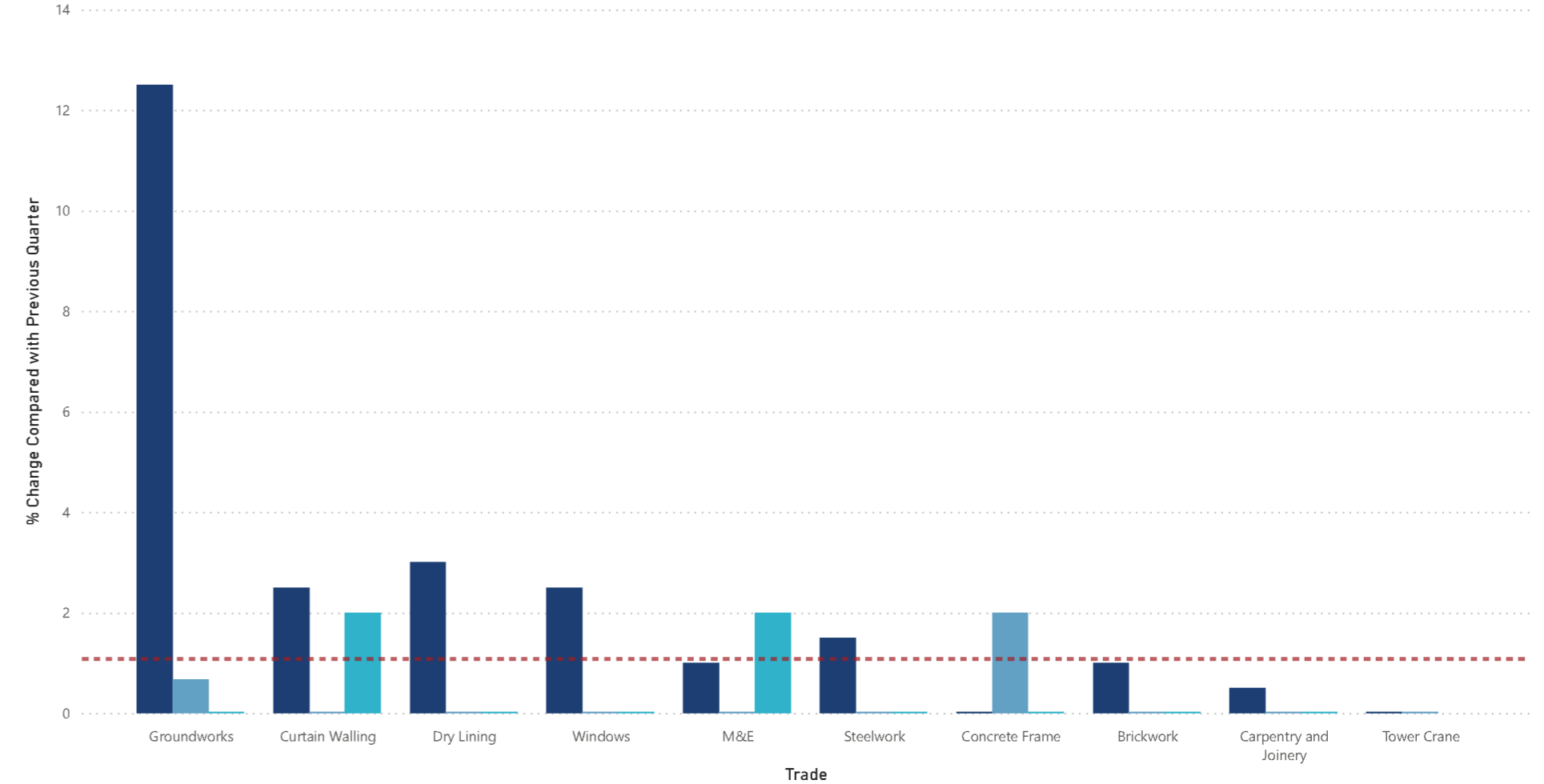
"In attempt to connect local labour and microbusinesses with large construction projects, SCF endorse the use of Work Radar. This database enables SME's, tradespersons, and Social Enterprises to express an interest in large construction pipeline. Contact information is then shared with SCF Main Contractors and their trade supply chain."

"Through mandatory apprentices and compulsory Employment and Skills Plans on every project, SCF Main Contractors are doing their part to tackle the industry wide skills shortage. To support these efforts, clients should look to engage Main Contractors and the supply chain early. This will enable sufficient engagement with local people and ensure as many opportunities as possible are created for new entrants to the industry."

Change in Number of Employees (% change since Q4 2021)

Number of Employees

SCF Regions ● London ● Southeast ● Southwest



Building Cost



In alignment with other industries, earlier in the year the construction sector forecasted a cooling of volatile price increases during 2022 as recovery from the pandemic progressed. However, alike 2021, the trend of volatile prices has prevailed throughout the first quarter of 2022.

The unforeseen invasion of Ukraine has heavily impacted upon supply chains across Europe and the world, with raw materials, including gas & oil, being afflicted with unprecedented price increases. Throughout Q4, energy costs were already high, but these have now escalated at an unmatched rate resulting in a perfect storm for increased building costs.

SCF Main Contractors and their trade supply chains have identified Building Cost to have increased by 13% over Q1 alone, building cost now sits an average 24% higher when compared to this same time last year. Data from BCIS identifies steel, timber, and concrete to far exceed the average industry inflation rate.

All products with an energy intensive manufacture have been heavily affected by energy prices.

SCF Main Contractors have identified the greatest quarterly increase in building cost for the following trades:

- Windows 17%
- Dry Lining 16%
- Concrete Frame 16%
- Steelwork 15%
- Carpentry and Joinery 13%

SCF Main Contractors warn of little notice (as low as 24 hours) provided by manufacturers of price increases, this extent of volatility makes forward planning increasingly challenging.



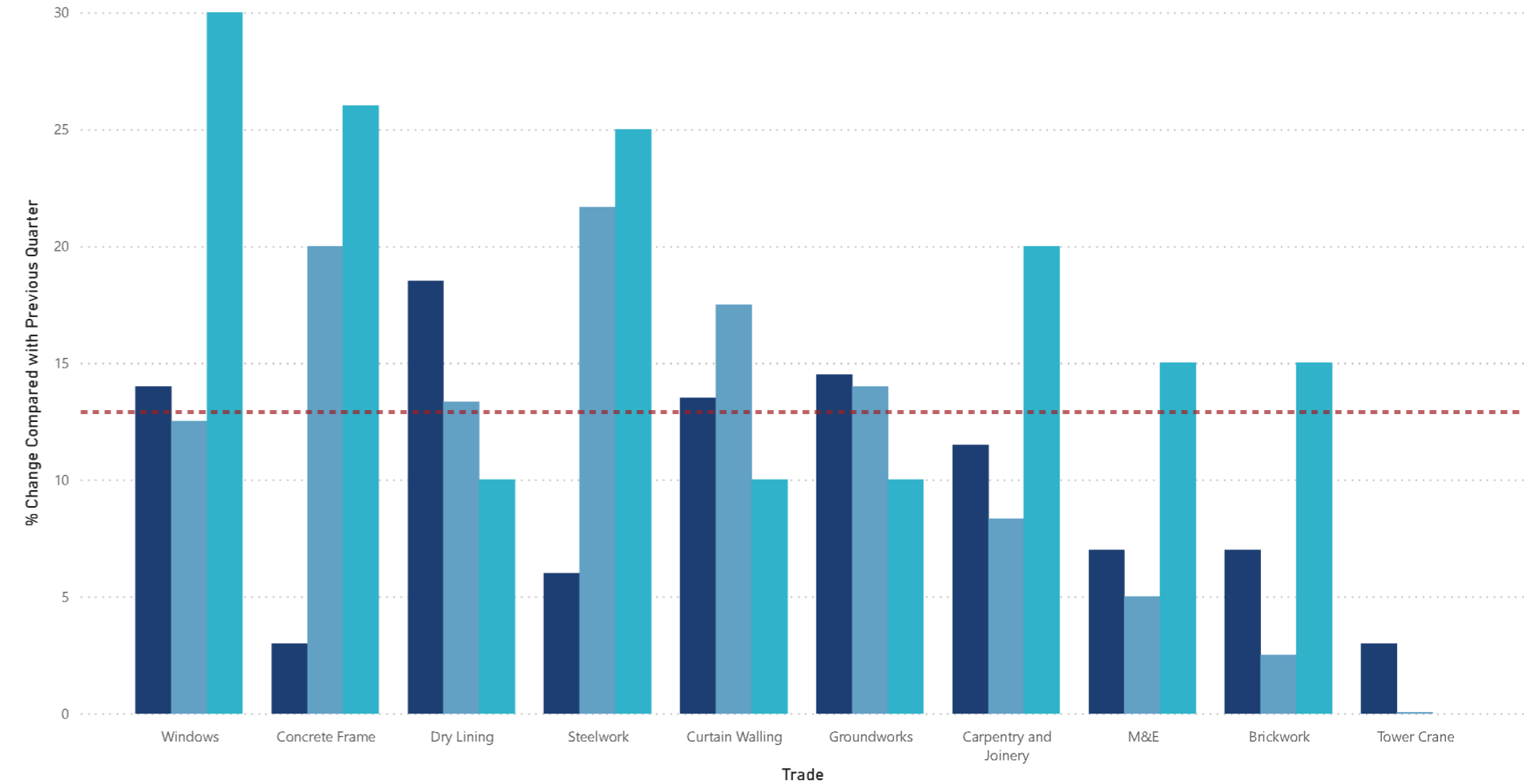
James Wright, Senior Framework Manager

“The need for prompt payment throughout the supply chain has never been so prevalent. With SME’s being vulnerable to cashflow challenges, it is more important than ever for the appropriate allocation of risk. A transparent approach to project budgets, risk allocation and pricing, will ensure an environment in which market risks can be effectively managed and mitigated, reducing uncertainty in procurement, and increasing certainty on costs.”

Change in Building Cost (% change since Q4 2021)

Building Cost

SCF Regions ● London ● Southeast ● Southwest



Concrete Frame

Ukraine is a large producer of cement sacks in Eastern Europe. Demand from other countries will likely increase for UK cement production; UK companies have already been asked to place forward orders. The high energy use associated with cement production has impacted supply and price across Europe, the CLC have warned of cement plants in Spain stopping manufacturing due to high energy costs.

SCF Main Contractors have identified the building cost of concrete frame to have increased by 16% during Q1 alone.

Compared with other trades, the cost of concrete frame has been relatively stable throughout 2021, but high energy intensity has resulted in rampant increases. SCF Main Contractors now observe the building cost of concrete frame to be 20% greater than this same time last year.

steel manufacturing. European steel mills have experienced challenges in sourcing steel billets to use as raw feedstock due to high quantities sourced from Ukraine and Russia, this has impacted the price of steel plates.

SCF Main Contractors now observe the building cost of steelwork to be 33% greater than this same time last year.

In line with 2021, steel prices have continued to erratically increase throughout the first quarter. SCF Main Contractors have identified the building cost of steelwork to have increased by 15% during Q1 alone.

A price hike from British Steel notified of a £250 per tonne increase on steel sections derived from the high energy requirements associated with

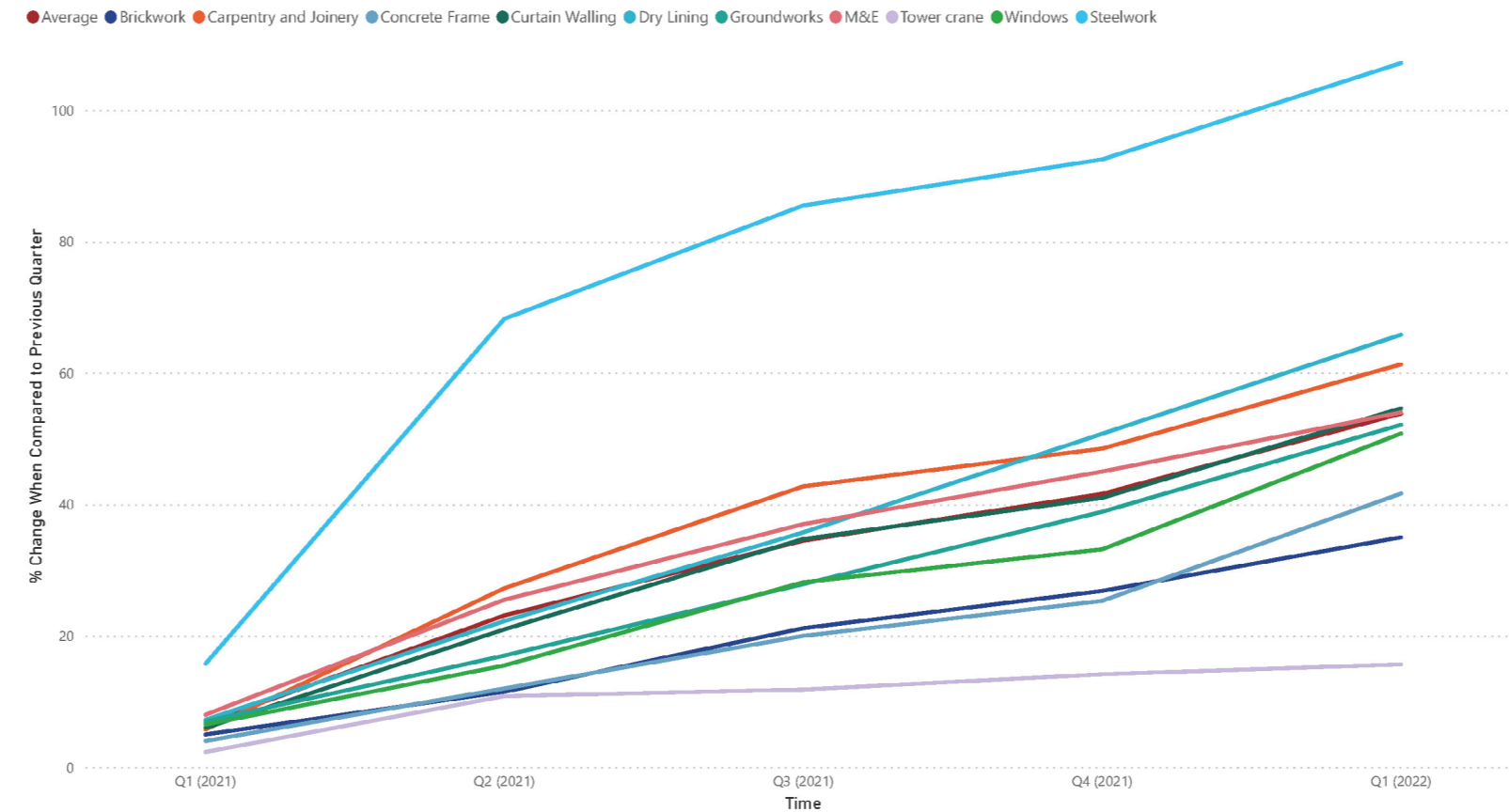
In addition, the cost of non-ferrous metals such as aluminium, copper, zinc, and nickel have been subject to unprecedented price increases. Approximately 10% of stainless steel is comprised of nickel; of which 10% of global nickel supply is sourced from Russia. This has put emphasis on sourcing from other markets, such as China, which currently exhibit higher rates and lead times than in the past.

Carpentry & Joinery

Throughout 2021, the price of timber has been volatile. However, the Construction Leadership Council (CLC) does not anticipate the price or immediate sourcing of timber to be of concern in the UK. On the other hand, the price of medium density fibreboard (MDF) has increased, due to the high quantity of oil derivatives used in MDF resins.

SCF Main Contractors have identified the building cost of carpentry & joinery to have increased by 13% throughout Q1, with building cost now being 24% greater than this time last year.

Change in Building Cost Throughout 2021



Windows & Dry Lining

The energy intensive nature of glass production has resulted in the building cost of windows increasing by 17% alone during Q1, this is now 38% greater than this same time last year. A similar trend has been observed by dry lining trades, with energy costs heavily impacting the price of insulation; this has been particularly prevalent for Rockwool. The building cost of dry lining has increased by 16% during this quarter alone, this is now 32% higher than this same time last year.

With petrol prices having risen to the highest they have ever been in the UK, the cost of transportation has hiked, putting further pressure on the cost of products and construction trades.

SCF Main Contractors warn of hesitation from the supply chain in fixing prices, with anecdotal evidence of prices being fixed for as little as 24 hours. Throughout the pandemic, there has been constant concern over the health of the supply chain and the threat of insolvencies.

Economic support schemes from Government have been phasing out in alignment with recovery from the pandemic.

The final support programme, Coronavirus Statutory Sick Pay Rebate Scheme, came to an end in March 2022. Going forwards, individual businesses will now need to cope on their own, and the impacts of high inflation and extended lead times have the potential to apply pressure to profit margins amongst the supply chain, particularly that of SMEs and those with premature fixed prices.

Material & Labour Availability

Towards the end of 2021, the construction industry anticipated a relief in material and labour lead times to be a key factor in unlocking projects progressing to site during 2022. However, due to inflationary pressures, this has simply not been the case.

The conflict in Ukraine has resulted in a wide range of unforeseen supply chain impacts ranging from ceased production of Ukrainian exports, boycotting of Russian businesses and high transportation costs that have stalled a recovery of material availability to pre-pandemic levels.

Contrary to an expected increase in material availability, material lead times are now 4 weeks greater when compared to this same time last year.

The UK Government has enforced a strict sanction on trading, shipping, importing, and exporting from Russia and Russian investors. Additional sanctions applied across Europe will result in indirect impacts on the UK market. A loss of exports from Ukraine will result in European shortages, which will in turn will influence the UK market. SCF Main Contractors and their trade supply chains have identified material lead times to have increased by an average of 2 weeks during Q1 across all trades.

SCF Main Contractors have identified the greatest quarterly increase in material lead times for the following trades:

- M&E 3 weeks
- Dry Lining 3 weeks
- Brickwork 2 weeks

Transport

Throughout the Christmas season the sourcing of HGV drivers was of particular concern, this has now improved, with the shortage of drivers having reduced from 100,000 people down to 70,000. However, the CLC has warned that the war has impacted global shipping, with 15% of the global shipping workforce being Ukrainian and Russian nationals. Countries have prohibited any ships with links to Russia, which in turn has resulted in congestion at ports derived from rigorous custom checks.

Construction Leadership Council: Product Availability (30th March 2022)

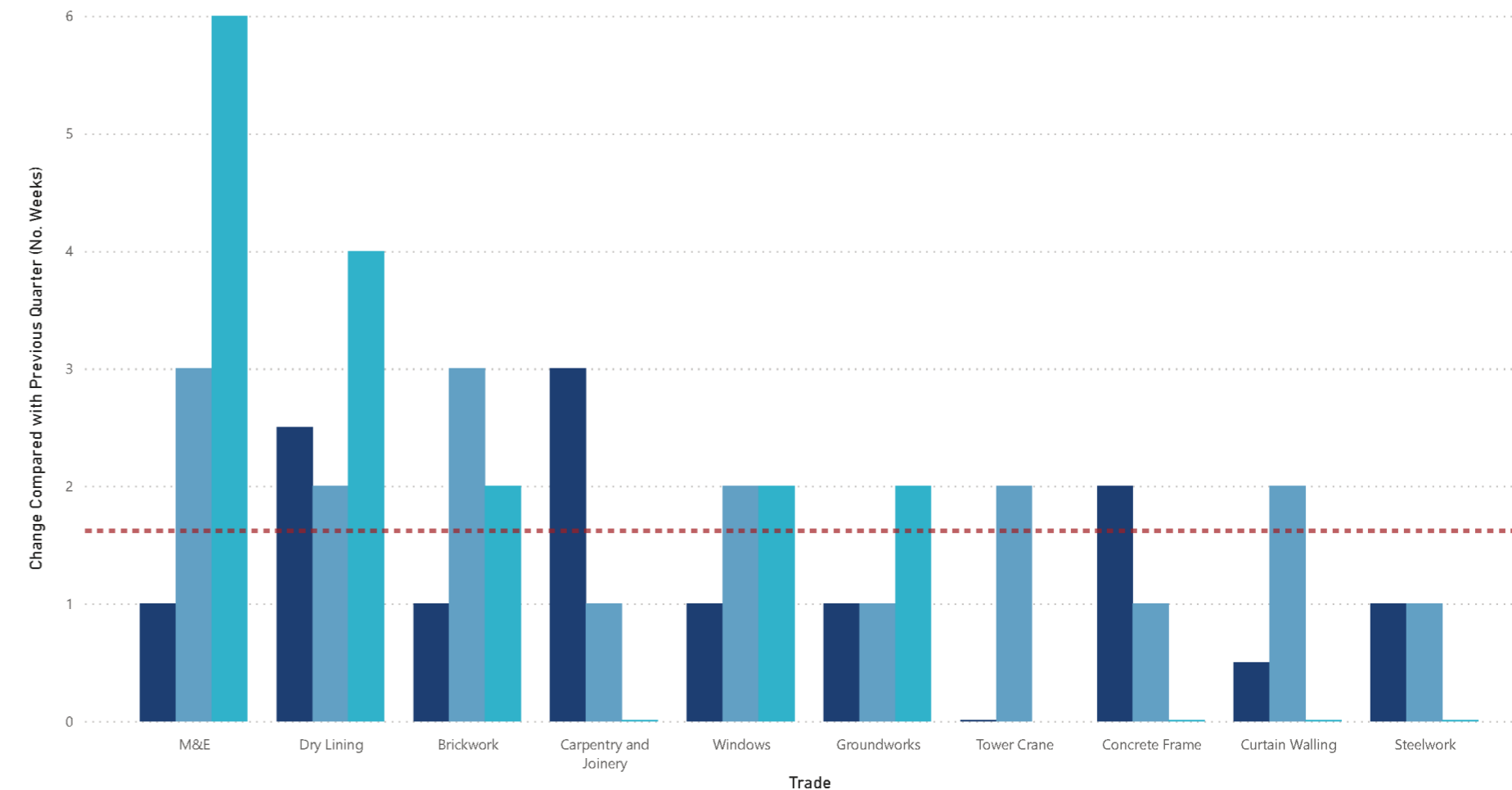
In light of Ukraine, the CLC are now committed to meeting every 3-weeks to share intelligence on the availability of construction products. A statement from the CLC has identified the following products to be of concern:

Boilers	Supply chain challenges in sourcing steel, cardboard, plastics, and electrical components partnered with high demand. In the immediate future, supply is limited, however expectation to normalise by the end of the year.
Paints and Coatings	Derived from shortages in raw materials, intensified by Ukraine and lockdowns in China; limited availability anticipated.
Ceramic tiles and Sanitaryware	Ukraine is a significant producer of kaolin used in the manufacturing of ceramic tiles and sanitaryware.
Plastic Products	Raw materials used for manufacture are in short supply, however recovery is expected by the end of Spring 2022.
Bricks	The CLC has identified a small recovery in the quantity of UK Bricks during the winter months but warn vigilant behaviour and forward planning is essential once demand accelerates throughout the spring and summer.
Microchips / Semi-conductors	Long-term shortage in semi-conductors due to high global demand. Demand expected to rise due to an increased pipeline of renewable projects.

Change in Material & Labour availability (change since Q4 2021)

Material & Labour Availability

SCF Regions ● London ● Southeast ● Southwest



Looking ahead: 2023 Forecast

The SCF survey depicts life from the view of the supply chain and captures how individual businesses are faring throughout these challenging times. During this quarter, our survey has received the lowest number of returns from the supply chain since data collection began over 2 years ago. Suppliers have found it particularly challenging to forecast what life will look, especially in regard to building cost, at this same time next year. This is a strong demonstration of the unprecedented volatility

Tender Workload

Pipeline is expected to remain strong throughout 2022 and as a result SCF Main Contractors and their trade supply chain forecast tender workload to increase by 5% by this same time next year. The Levelling Up agenda is expected to act as a catalyst for future investment with the Department for Levelling Up, Housing and Communities aiming to drive funding, policy changes, and new ways of working across Local Authorities.

Trades with the greatest forecasted increase in tender workload include:

- Groundwork 9%
- Curtain Walling 7%
- Dry Lining 7%

that has been experienced in the industry over the last 16 months and expected in the near future. To this end, SCF Main Contractors and their trade supply chains have forecasted the following market conditions over the next 12 months.

Employment

In order to have the resource required to deliver the high tender workload experienced over the last 12 months, SCF Main Contractors and their trade supply chain forecast the change in the number of employees to increase by 3% by this same time next year.

Trades with the greatest forecasted increase in employment include:

- Groundwork 8%
- Steelwork 6%
- Curtain Walling 5%

Building Cost

During this time last year, demand for materials far outweighed supply, however it is expected that throughout 2022 material-push inflation will play a key role in the impact of building cost. SCF Main Contractors anticipate building cost to increase by 15% by this same time next year.

To this end, during 2022 SCF Main Contractors anticipate an increased use of value management tools amongst clients, such as the CIH Value Toolkit, in order to better establish how ever-squeezing budgets are being utilised to deliver best outcomes.

Trades with the greatest forecasted increase in building cost include:

- Windows 32%
- Groundwork 19%
- Curtain Walling 19%
- Concrete Frame 18%

Material Availability

With a lack of exports from Russia, Belarus, and Ukraine being used to feed European stock, indirect impacts to the UK supply chain are expected to emerge over the coming months. In the foreseeable future, the CLC warns of challenges in sourcing of pallets and birch plywood due to a large quantity of supply being sourced from Russia.

SCF Main Contractors and their trade supply chain forecast material lead times to increase by an average of 3 weeks by this same time next year.

Trades with the greatest increase include:

- Brickwork 8 weeks
- Dry Lining 3 weeks
- M&E 3 weeks
- Windows 3 weeks



SCF Consult - Reflective Note

Page 80

The main concern this year, both for consumers and the construction industry is inflation. While the price of construction materials was already shooting up by the middle of last year, CPI inflation took a little longer to respond to supply chain problems. Data from BEIS shows that the annual rate of construction material price inflation in February was still above 20%. This is down slightly from its peak, but material prices were still growing rapidly. In March, CPI inflation hit 7%, its highest level in 30 years, is forecast to pass 8% in April and some analysts now expect it to peak at over 9% later in the year. With oil and gas prices forecast to stay elevated throughout the next year, it may be some time before any easing of price pressures.

There are several problems with inflation reaching such a level. For households, whose incomes are not rising as quickly, it means budgets get tighter and likely results in cutbacks on the number of goods and services bought. Furthermore, for local authorities, and others spending on construction projects, higher costs may result in difficult choices. Government funding is not set to rise in line with inflation so budgets will not stretch as far, and the pot of money will now cover fewer projects.

In addition to it reducing spending power, high levels of inflation also put the Bank of England in a difficult position. They have already raised interest rates from their record lows of 0.1% to 0.75% and another increase seems likely to happen soon. However, whereas raising interest rates may help curb inflation to an extent, its effectiveness may be less than usual, due to a large share of the change in prices coming from shocks to gas and oil, in addition to other supply side problems. Instead, higher interest rates pose a risk of throttling a fragile economy recovery. For construction projects in particular, rising financing costs, coming at the same time as record material price inflation is unhelpful. It may trigger delays to some schemes, along with others becoming unviable.

“ *With the current market pressures there is even more reason to engage with contractors earlier in the process, so risks related to cost increases can be better understood and mitigated through early supply chain engagement. Make sure to utilise premarket engagement to understand current issues specific to your scheme and appoint early to understand how to get best value with the available budget.* ”

Responsible Procurement

Within the UK, the construction sector has been identified as a high-risk industry for modern slavery due to its demand for a flexible workforce and the resulting engagement of migrant workers. Common labour abuses of vulnerable individuals include non-payment of living wage, non-payment of holiday & sick leave, and unfair dismissal. When left, these can often escalate into severe exploitation.

At SCF we recognise the importance of responsible procurement and the much-needed transparency amongst the supply chain. As a result, since 2020 all SCF Main Contractors have been signatories of the Gangmasters and Labour Abuse Authority (GLAA) Construction Protocol. This protocol demonstrates SCF Main Contractors commitment to support, wherever possible, in the eradication of slavery and labour exploitation within the industry through a collaborative approach.

In order to strengthen the commitment, every year the GLAA surveys its signatories to establish their growth in supporting the protocol and identifying opportunities for progress.

- 82% of contractors believe that the Construction Protocol is effective at promoting employment rights to workers at risk of labour exploitation.
- After commitment to the protocol, the following implementations have been undertaken by contractors:
 - An increase in training and awareness campaigns within their organisation
 - Amendments to their modern slavery statement process
 - The allocating of responsibility for modern slavery to a board member
 - Inclusion of modern slavery elements in supplier terms and conditions



Of all supporting resources shared under the protocol, contractors found the following to be of the most use:

- The GLAA partnership bulletin newsletter: sharing advice, case studies & changes to policy
- Construction Protocol Induction Pack: a toolkit of resources, including posters and help guides, to support the identifying and reporting of exploitation
- 85% of contractors believe that the Construction Protocol is effective in influencing businesses to make changes to their due diligence in identifying and reporting exploitation amongst their supply chains.

With SCF Main Contractors forecasting a 5% increase in employment, the reliance on migrant labour will be substantial. Any future restrictions to the legal employment of migrant workers poses an increasing threat of labour abuse and exploitation. The GLAA has warned of vulnerable individuals, such as Ukrainian refugees, being at greater risk of exploitation. Emphasis is placed on a collaborative effort from the industry in reporting such behaviour.

SCF's transparent procurement portal, helps the framework build a closer relationship with its supply chain community and provides an opportunity to build relationships and share supporting resources.

GLAA Head of Prevention and Partnerships Frank Hanson said:

“As a leading public sector framework, SCF can make a real difference in tackling abusive labour practices by ensuring its suppliers sign up and commit to raising awareness within supply chains to protect workers from exploitation.”

“They can also take the necessary steps to ensure that any abuse of workers is recognised and addressed with appropriate safeguards put in place, so exploitative practices are not repeated.”

Has your organisation signed up to the Construction Protocol? - [click here](#) to find out more information.

Take a look at the [GLAA's Construction Protocol 2021 survey](#).

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Item 07 – 12 Otford Road, Sevenoaks – Business Park Development Project

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January, Minute 43)

The Property Investment & Development Surveyor presented the report, which set out the proposed mixed-use commercial development project at 12 Otford Road, Sevenoaks. The scheme would regenerate the site and support economic development, and would be funded through external borrowing. The Council were considering multiple exit strategies, including building and holding the site; this would be finalised closer to the completion of the project.

The officer outlined the scheme in further detail. The site would combine industrial usage and a café with a drive-through, as well as parking. The café would be the core income stream, with a 15-year lease, with the industrial element as speculative income. It was anticipated that the planning application for the site would be submitted by September 2024, with approval by December 2024. The scheme aimed to be completed by Summer 2025. Risks for the development included poor ground conditions at the site, which would be mitigated with an investment of £400,000 in assessing the area and installing deep foundations, and market risks, which necessitated regular reappraisals and detailed design work.

In response to questions, the officer explained that the site was 3.2 acres in size, with the development encompassing 1.2 acres only. This would allow for a green buffer to be provided between the development and the Site of Special Scientific Interest (SSSI) which bordered the site. The officer clarified that the scheme was primarily to regenerate the area. If the scheme were to become unviable, within the Member-approved budget, then it would be brought back through the committee system for re-evaluation.

Members discussed the proposal. They noted their concern that a drive through café did not support the Council's ambition for Net Zero. The officer advised them that the site would also receive significant foot traffic, due to its proximity to other sectors, and that the drive-through was an additional factor. The site's inclusion in the Sevenoaks Town Neighbourhood Plan as the access point for a walking & wheeling route to Dunton Green would be considered before the site was progressed.

They further expressed concern regarding the compounding risk of developments sharing risk factors, such as market pressures. They noted that as detail was added to the scheme, these risks could be better addressed. The officer clarified the checks and balances in place to mitigate this also. Members discussed the possible exit strategies, and noted that it would be preferential for the Council to retain the site if possible.

Agenda Item 7

Resolved: That it be recommended to Cabinet that:

- (a) It be recommended to Council that the capital funding of the scheme as outlined at Appendix B (Project Costs & Funding) be agreed and it be noted that the scheme will only progress subject to financial viability being confirmed and planning permission granted.
- (b) subject to approval of the recommendation by Council at (a) above, provision of the project cost estimated at £3,635,004 is made within the Capital Programme; and
- (c) subject to approval of the recommendation (a) by Council, authority be delegated to the Strategic Head of Property and Commercial, following consultation with the Head of Legal Services and the Chief Officer Finance and Trading, to enter into necessary professional appointments/contracts to deliver the scheme.

12 OTFORD ROAD, SEVENOAKS - BUSINESS PARK DEVELOPMENT PROJECT
Cabinet –8 February 2024

Report of: Strategic Head of Property and Commercial

Status: For Decision

Also considered by:

- Finance and Investment Advisory Committee – 11 January 2024
- Council – 20th February 2024

Key Decision: Yes (part)

Executive Summary:

The Council has considered various options for land it owns on Otford Road, Sevenoaks. It has identified a mixed-use commercial development project with potential to deliver new employment space (4 industrial units) and a café/drive-through (amenity space for residents and visitors to the district). Employment use land, particularly small industrial units, is needed within the district and is identified as a key intervention within the Council's Economic Development Strategy. Once the development is completed, it will be retained by the Council and will be marketed for rent.

The site is currently under-optimised as an SDC depot (bins store). The site location for development benefits from the conglomeration of commercial activities at Vestry Road, with substantial future residential development planned at the Quarry site and new allocations within the emerging Local Plan.

High level feasibility and design work and other due diligence studies have been undertaken and we are now seeking approval to proceed with this project and appoint a professional team to undertake detailed design and development work, submit a planning application, and subject to the project remaining viable, affordable and obtaining planning consent, to procure a contractor and commence with development. Subject to planning consent being obtained and funding being finalised, start on site could commence early 2025.

This report supports the Key Aim of: supporting economic development and a thriving commercial and retail centre at Sevenoaks and its immediate environs.

Portfolio Holder: Cllr. Thornton

Contact Officers: Detlev Munster, Ext. 7099

Recommendation to Finance & Investment Advisory Committee

That the recommendations to Cabinet be considered.

Recommendation to Cabinet:

That

- (a) it be recommended to Council that the capital funding of the scheme as outlined at Appendix B (Project Costs & Funding) be agreed and it be noted that the scheme will only progress subject to financial viability being confirmed and planning permission granted.
- (b) subject to approval of the recommendation by Council at (a) above, provision of the project cost estimated at £3,635,004 is made within the Capital Programme; and
- (c) subject to approval of the recommendation (a) by Council, authority be delegated to the Strategic Head of Property and Commercial, following consultation with the Head of Legal Services and the Chief Officer Finance and Trading, to enter into necessary professional appointments/contracts to deliver the scheme.

Recommendation to Council:

- (a) Council approves the provision of £3,635,004 in the Capital Programme for the Otford Road development scheme and notes that the scheme will only progress subject to financial viability and planning consent being received.

Reason for recommendation: To progress the scheme providing new employment space to assist the Council's wider economic development role and to provide amenity offered by a new café/drive-through for both visitors (including those on business in the area) and the local community.

Introduction and Background

1. Vestry Road business/retail park is the main out-of-town commercial area on the fringes of Sevenoaks town, accessed via the busy Otford Road (A225). The council depot site is accessed directly from the Otford Road and is situated close to the Aldi food-store, almost opposite Sainsbury's supermarket and on route to Vestry Road when leaving Sevenoaks on the A225.

2. The proposed development site is currently used as a depot/bin-store and there is a small building on site and hard standing. The total site area is 3.2 acres, including some SSSI. The developable area, excluding protected service runs, is 1.2 acres. The site constitutes previously developed land and forms a small part of SDC land which wraps around the Aldi, which was used as a council tip historically. The depot site backs onto a site designated as a site of special scientific interest (SSSI). These characteristics have been factored into the feasibility process, including ground borehole testing for contamination. Contamination was present, however, within acceptable parameters for the proposed development, but not considered suitable for housing development.
3. The site is within the green belt and has been put forward as an employment designation in both the current and emerging Local Plan. As previously developed land within the greenbelt, we are advised it has reasonably good prospects for coming forward for commercial development.
4. The development proposal is mixed use, retail and employment/industrial, involving 4 small industrial units and café/drive-through at the front of the site. The site benefits from existing access which is suitable for this purpose without major alterations or implications for the main highway. We have carried out a pre-application meeting with the Planning Authority and in particular with KCC Highways which confirmed no significant changes are required to the highway.
5. As a council owned site, vacant possession is available although we are liaising with Direct Services on a suitable site to relocate the bins.
6. Public consultation will take place when design and plans are at a more advanced stage and before making any planning application.

The Development Scheme

7. There is a need for employment use land within the District. In particular industrial units are required and this is evidenced by recent research published by JLL (Nov, 2023), Gleeds (Nov 2023), LSH (Oct, 2023) and Avison Young (Oct, 2023), and the Kent Property Market Report 2024 notes this as well. Furthermore, discussions with Locate in Kent also confirm this need, especially highlighting the need for smaller units and multi-let units and the locational advantage the district has. Additionally, the Economic Development Team receives and has received numerous enquiries for additional and grow on spaces. Several companies have indeed pointed out their desire to locate in Sevenoaks and/or consolidate their businesses and provide grow-on space in Sevenoaks but are unable to do so due to poor land availability and planning restrictions within the District.
8. LSH (Oct, 2023) reports that the industrial property sector is characterised by tight supply and on-going rental growth which is driving activity in the market. LSH (Oct, 2023) notes that that prime yields for the South East are c. £5.25% and recent national annual rental growth rates have been between 4% and 5%. LSH (Oct, 2023), JLL (Nov, 2023) and Gleeds (Nov, 2023) state that there are

Agenda Item 7

numerous factors affecting demand (ESG, post-Brexit demands, supply chain security, on/re-shoring of manufacturing, limited supply, price, etc) all suggesting strong fundamentals in the sector. LSH (Oct, 2023) points out that London only has a supply availability of about 1.6 years whereas the rest of the Southeast region has a supply availability of about 1.3 years. This too is confirmed by JLL (Nov, 2023) with similar claims. LSH (Oct, 2023) also notes that labour and transport costs are dwarfing property costs meaning that places with good transport links will be highly sought and the relative lack of development in multi-lets and mid-box sheds presents a significant opportunity. This too is confirmed by Locate in Kent. LSH and JLL reflect further that recent transactions are achieving very high rental levels with an annual rent increase of 24% in Barking and Dagenham and secondary stock rental growth in London at about 22%. JLL (Nov, 2023) reports that take-up of speculative built space in Greater London is robust with occupiers seeking sites on London's outskirts due to tight supply and high rents. Market fundamentals are therefore strong.

9. JLL (Nov, 2023) also suggests that demand for new buildings which reduce carbon emissions in construction and during their operational life and end-of-life, is high and that new developments should seek BREEAM ratings above very good and EPC A.
10. The size of the scheme is dictated by several constraints including the need to provide an ecological buffer but also by its speculative nature. That is, the Council does not have any pre-lets at this stage and is dependent on strong market forces. To mitigate this commercial risk, only 4 business units are proposed and a drive-thru commercial unit to diversify this commercial risk. The drive-thru will take-up around half the site (the unit itself will be around 1,800sqft) with parking and a drive-thru lane. The total area of the industrial units is approximately 10,300sqft (2,500sqft average unit size). Outline specification is, eaves heights to 6.5m (21.3ft), steel portal frames with composite metal cladding. Dividing walls will be block-work and probably left out until lettings confirmed to allow flexibility in letting. See appendix A for the emerging scheme details.
11. The proposed scheme is at feasibility stage with outline drawings and initial survey work, including phase 2 ground investigations (borehole testing). Geotechnical studies note that the site has made-up ground and alluvium to around 10m depth, which means that deep foundations (piles) are necessary. Preliminary designs take this into account and this additional cost has been factored into the high-level cost plan and development appraisal.
12. Site searches highway and road assessments and legal due diligence have also been undertaken.

13. Detailed or coordinated drawings or specification will be developed once funding is approved. It is proposed to develop the scheme to RIBA Stage 3/4 design, which will allow further cost planning and development appraisal work to be undertaken (see finance section below). Should the scheme remain viable, a planning application will then be submitted, a design and build specification will be prepared and procurement will commence for a contractor (see procurement section below).
14. It is proposed that the Council will retain the freehold of the completed scheme. Once built, the units will be leased to 5 tenants (or less), providing a diversified income stream. Leases will include upward only rent reviews, which provide the opportunity for rental/income growth over the leasing cycle. Lease terms are likely to be 5 -10 years. The Drive-through/Café could attract a 15-year lease without break, and a substantial covenant, with a positive impact on investment value. The business units could be let to local businesses. The units will therefore be managed by the Council's Property Team on commercial terms.
15. To minimise design and commercial risk, an agreement for lease with a development agreement will be entered into for the drive-thru element only.
16. The café/drive-through could be built first and handed over to an operator for fit-out within the construction programme, to allow for early income generation. This will need to be confirmed by the contractor after planning permission and before delivery, and as part of negotiations for an agreement to lease with an operator. The access road and services to the business park will be built during this first phase of construction.
17. The 4 industrial units will be built as a phase 2 and agreements to lease put in place as early as possible after planning permission granted. The rents are based on £17.50psf, which is the average for the area. It is possible actual rents will be higher given the location, size and specification of the units.

Procurement

18. The procurement of consultants and a contractor will need to be in accordance with the Public Contracts Regulation 2015 and the Council's procurement regulations as outlined in the Council's Constitution.
19. The project has been presented to the Procurement Assurance Group for appointment of the following consultants:
 - Quantity surveyor/Employer's agent
 - Architect
 - Multi-disciplinary engineer(s)
 - Planning adviser
 - Valuer/Estate agent for lettings and 3rd party valuation

Agenda Item 7

20. Procurement will be through a compliant framework for the major appointments with flexibility to retain through to delivery, subject to key milestones being achieved, such as planning permission.
21. Subject to the scheme remaining viable, the procurement exercise for a design and build contractor will be undertaken in parallel to the planning application being determined. An appointment will only be made if planning consent is obtained.
22. The Council envisages using a suitable framework agreement to appoint a design and build contractor and depending on the framework agreement's rules, tenders will be evaluated on a 60:40 (price:quality) basis. Quality evaluation criteria will include, amongst others: design quality, environmental sustainability measures, low maintenance, social value, construction technology, rapid deployment and previous experience.
23. Depending on the Framework Agreements rules, it is envisaged that the design and build contractor will be appointed under a JCT form of contract.

Provisional Delivery Programme

24. The project's indicative delivery programme assuming planning is granted is outlined in the table below, and is subject to change:

Stage	Date
SMT approval	11 December 2023
Finance & Investment Advisory Committee	11 January 2024
Cabinet	19 January 2024
Full Council	20 February 2024
Appoint consulting team	March 2024
Public consultation on emerging designs	June 2024
Finalise RIBA Stage 3/4 Drawings and details	July 2024
Finalise cost plan & development appraisal	August 2024
Submit planning application	September 2024
Commence D&B contractor procurement	September 2024
Planning determination	December 2024
Contractor Appointment/award	January 2025
Start on site	March 2025
Completion	Summer 2026

Project Costs and Funding

25. Preliminary cost plans and development appraisals have been undertaken. These remain at a high-level and will be refined as design and development studies are finalised. The current cost plan is not only informed by the current outline designs and site constraints and BCIS figures, but a second opinion from a cost consultant (Academy Consulting) obtained as a check on piling and

drainage for abnormal ground conditions, which Academy has confirmed is not unreasonable in the circumstances.

26. Appendix B (which is exempt from publication) provides project finance information. Appendix B notes that the scheme is viable and affordable to the Council.

Project Governance

27. A Project Team has been set up within the Council and will be supported by external consultants. In particular, the Council will appoint a specialist cost consultancy firm to act as Employers Agent and QS.
28. The Project Team will be adapting PRINCE2 methodologies to manage the project.
29. All procurement exercises are reviewed by the Procurement Assurance Group.
30. The Project Team will be reporting to the Corporate Programme Board and Capital Projects Progress Meeting (CPPM), which will have oversight of the project. Monitoring reports (including highlight reports/exception reports, budget monitors and the risk register) will be submitted monthly to the CPB/CPPM. The CPB and CPPM consist of senior officers and Councillors respectively and are respectively chaired by the Chief Executive and the Leader.
31. Key decisions, for example the approval of this project to proceed and project capital budgeting matters (such as this report), will be submitted through the Council's committee process for members to discuss and decide. The appropriate portfolio-holders will also provide updates at the respective Committees.

Key Risks

32. A detailed risk register for the scheme has been opened. The scheme presents several risks and the key risks and their mitigation measures are outlined in Appendix C, which is exempt from publication.

Other Options Considered and Rejected

33. Do nothing. The Council will forego an opportunity to optimise part of its land holding at Otford Road for commercial development to support its role on economic development in the district, together with the opportunity for an income stream and return on capital. The planned increase in residential development in the emerging local plan needs to be supported by development for employment and other facilities such as retail and leisure.

Agenda Item 7

34. Alternative uses for the site were also considered, in particular for housing. Land conditions (in particular contamination) preclude the ability to provide housing on this site and would be very costly rendering housing economically and financially unviable. Housing was also ruled out due to the predominantly commercial uses in the area and increase of planned new housing in the area e.g. Sevenoaks Quarry.
35. Alternative employment use design options for the site were also considered. These sought to optimise the developable area for the site and provide additional business units rather than a drive-thru. While this option provided a slightly higher return and provided more business units to support the local economy, it was considered prudent to diversify the offer and reduce commercial risk. It is important to note that the Council has received requests from several organisations for a drive-thru at this site.
36. Consideration was given to other commercial uses but they were found to be unviable because of low value to build cost ratios, together with high parking requirements and low site coverage.
37. The Council also has the option to dispose the site and obtain a capital receipt. Site constraints will suppress a reasonable land value and would not result in the Council meeting its objectives in its EDS. An alternative option would be to dispose of the site with planning permission if granted. This is likely to increase the site's value to a certain degree but the Council would not be able to control its development other than through planning measures.
38. The Council has also considered disposing the freehold of the units once built. While this is considered a viable proposition, the Council wishes to retain the units to drive its economic development ambitions and simultaneously derive future income streams and asset values.

Key Implications

Resource Implications

39. The project will be managed using existing internal resources within the Council and this will be supported with external professional consultants.
40. Should the project receive planning permission and is developed and retained by the Council, the properties will be added to the Council's property register and will be managed by the Council. The property team will be responsible for both asset management and maintenance (depending on the lease structures entered into).
41. A suitable site to relocate the bins will need to be found in consultation with Direct Services.

Financial Implications

42. The financial implications are noted in Appendix B, which is exempt from publication. The scheme is sensitive to interest rate fluctuations, amongst other factors, and this is noted in Appendix B.
43. Different financing options are also outlined in Appendix B, and the Council has a variety of exit strategies it could deploy.
44. A mix of short-term and long-term capital loans will be used to provide a blended rate that is profiled to the scheme's construction programme and operational cycle. In particular, the bulk of funding will be through the use of external borrowing over a 30-year term, during which period the repayment is covered through rents received.
45. The scheme is considered to be viable and affordable to the Council.

Legal Implications and Risk Assessment Statement

46. The Council has freehold title of the site. There are no title encumbrances. Access to land at the rear is with SDC permission via a locked gate and there are no rights of way.
47. KCC environmental monitoring equipment is located on the site and will need to be relocated on site.
48. The procurement of a design and build contractor, while below the Public Contract Regulations 2015 thresholds, will need to comply with the Council's Contract Procedure Rules. Legal advice will need to be sought in ensuring the final form of contract is appropriate and provides the Council with the necessary contractual safeguards.
49. The Council will need to comply with the conditions associated with any loans taken out, such as PWLB. The Council is aware of the generality of PWLB loan terms.
50. Statutory consents (planning, environmental, building control, etc.) will need to be applied for and the project team is aware of these.
51. There are no subsidy control implications associated with the proposed scheme.
52. Due diligence assessments have identified that it would be suitable to appropriate the site for Planning purposes including to ensure proper planning. The Council is authorised to appropriate land that it owns under Section 122 of the Local Government Act where no longer required for the purpose for which it was previously held. It is intended that, if the development is approved, an appropriation would take place at a later stage.

Equality Assessment

Agenda Item 7

53. The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. A positive impact on end users is, however, anticipated. In particular, it is worth noting that appropriate “equalities requirements” will be specified in the various contracts to be entered into for the demolition and construction of the scheme. In addition, the scheme is designed to promote an inclusive environment, especially for users of the retail unit, formal car parks and landscaped areas.

Sustainability

54. Services to be from increasingly sustainable electricity grid with composite cladding with good insulation to contain emissions and to lower energy use. A checklist will be completed, and a positive impact is anticipated. It is proposed to put in landscaping to have a positive impact on biodiversity and to provide a “green” buffer between the built area and the SSSI at the rear of the site.

Conclusion

55. The project will result in the optimisation of Council land for economic development purposes. As a council depot, which is underutilised, the site is somewhat unsightly and would be replaced with a mini-business park, enhancing the offer to businesses and residents. In financial terms, the return on Council investment is attractive, subject to final viability testing (rents/yields/construction costs/interest rates). Profit is likely to be realised by holding the development over a long term as there are good prospects for increased asset value/ROI, which can be managed in-house.

Appendices

Appendix A – Plans and Visuals

Appendix B – Project Finances and Financial Implications

Appendix C – Outline Risk Assessment

Appendices B and C are exempt from publication. The applicable reason for this redaction is paragraph 3 of Schedule 12A of the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information). This is because it could prejudice the returns of a commercial tender that the Council will be undertaking and provides commercially sensitive information.

Background Papers

- Avison Young (2023): 10 Key Market Trends
- Avison Young (Nov, 2023): Property Market Review
- Avison Young (Oct, 2023): Industrial Sector Review
- SDC (2022): Economic Development Strategy
- Gleeds (Nov, 2023): Quarter 4 Property Review
- JLL (Nov, 2023): Multi-let and Mid-box Industrial Market Overview
- LSH (2023): Economic Outlook
- LSH (Oct, 2023): Industrial and Logistics Market Outlook
- Locate in Kent (Nov 2023): Kent Property Market Review 2024
- Project Sustainability Checklist
- [Sevenoaks District Council \(2019\): Emerging Local Plan](#) (as submitted with evidence base to Planning Inspectorate)

The following background documents are exempt from publication. The applicable reason for this redaction is paragraph 3 of Schedule 12A of the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information). This is because it could prejudice the returns of a commercial tender that the Council will be undertaking and provides commercially sensitive information.

- Development Appraisal V4 dated 06 December 2023
- Greenwood Projects (2023): Cost Plan May 2023
- Greenwood Projects (2023): Cost Plan September 2023
- Project Risk Register

Detlev Munster

Strategic Head of Property & Commercial

Appendix A – Proposed Plan

Café with drive-through and parking and 4 small warehouses with 10% office space..



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Item 08 – Treasury Management Strategy 2024/25

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract is below.

Finance & Investment Advisory Committee (11 January, Minute 39)

The Senior Principal Accountant presented the report, which set out the proposed Treasury Management Strategy for 2024/25, as required by the Local Government Act 2003. The Strategy set out the Council's policy for borrowing and managing its investments, though not commercial initiatives and loans to third parties, which were generally classed as non-treasury activities. She outlined the prudential indicators, the borrowing and repayment strategy, and the investment strategy for 2024/25. There were no major changes to the investment strategy.

In response to questions, the officer explained that the treasury management consultants Link Treasury Services Ltd did not control the strategy, and were not involved in day-to-day management. They provided information such as live ratings for banks and templates for reports. Members discussed the risks of exposure to unrated entities within the Strategy. The officer explained that the provisions for non-rated institutions were for unrated subsidiaries of larger banks, which could provide guarantees. These provisions also avoided the risk of violating the Strategy should an institution become unrated whilst the Council held money with it. They did not allow for the Council to lend money to unrated institutions in any circumstance – they only applied in specific scenarios. Members requested that a detailed clarification regarding the conditions for lending to each category of institution be provided with the next Treasury Management Update.

Members further discussed the Council's lending and borrowing. The Chief Officer for Finance & Trading explained that the Council did occasionally lend to other local authorities. These loans had very little risk associated, as there was a statutory obligation to repay them. Members noted that the Council was projected to borrow significantly more in the future than it had previously due to the scale of the capital programme, detailed in a separate report. This would require disciplined management. The Council's risk appetite had increased in this regard, though it was still highly risk-averse.

The Head of Finance clarified for Members that the council had just under £13m in debt, and just under £23m in reserves. These reserves were not cash held by the council, and could not be used to cover services if all income ceased. Investments could be recalled should access to all income streams terminate, though it was emphasised that this was extremely unlikely.

Resolved: That:

Agenda Item 8

- a) The report be noted, and the following comments be forwarded to Cabinet:
- Members would like further clarification regarding the Council's exposure to unrated organisations.
 - The Council would be borrowing significantly more than it had in the past, and this would require diligent handling

TREASURY MANAGEMENT STRATEGY 2024/25

Cabinet – 8 February 2024

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

Status: For Decision

Also considered by:

- Finance and Investment Advisory Committee – 11 January 2024 (replaced table at paragraph 79)
- Council – 20 February 2024

Key Decision: No

Executive Summary:

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Annual Investment Strategy remains largely the same as for 2023/24

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

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Jessica Booth, Ext. 7436

Recommendation to Finance and Investment Advisory Committee:

That the report be noted and comments forwarded to Cabinet.

Recommendation to Cabinet:

That, subject to the comments of the Finance & Advisory Committee, Cabinet recommend that Council approve the Treasury Management Strategy for 2024/25.

Recommendation to Council:

That the Treasury Management Strategy for 2024/25 be approved.

Reason for recommendation: To ensure that an appropriate and effective Treasury Management Strategy is drawn up in advance of the forthcoming year, which meets both legislative and best practice requirements.

Introduction and Background

- 1 The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.
- 3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 4 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from the day to day treasury management activities.

Reporting requirements – Capital Strategy

- 6 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following.
- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
- 7 The aim of the strategy is to ensure that all the Authority’s elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

Reporting Requirements – Treasury Management

- 8 The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- a. Prudential and treasury indicators and treasury strategy (this report)
The first and most important report is forward looking and covers:-
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
 - b. A mid-year treasury management report –
This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
 - c. An annual treasury report

Agenda Item 8

This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

- 9 The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Finance and Investment Advisory Committee.
- 10 In addition, Treasury performance should be reported quarterly. This is included in the quarterly budget monitoring.

Treasury Management Strategy for 2024/25

- 11 The strategy for 2024/25 covers two main areas:

Capital Issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury Management Issues

- the current treasury position
 - treasury indicators which limit the treasury risk and activities of The Council
 - prospects for interest rates
 - the borrowing strategy
 - policy on borrowing in advance of need
 - debt rescheduling
 - the investment strategy
 - creditworthiness policy; and
 - the policy on use of external service providers
- 12 These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Training

- 13 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.
- 14 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.
- 15 The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider

how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

- 16 As a minimum, authorities should carry out the following to monitor and review knowledge and skills:
- Record attendance at training and ensure action is taken where poor attendance is identified.
 - Prepare tailored learning plans for treasury management officers and board/council members.
 - Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
 - Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”
- 17 In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.
- 18 Training for members has been scheduled for 3rd January 2024 and further training will be arranged as required.
- 19 The training needs of treasury management officers are periodically reviewed.

Treasury Management Consultants

- 20 The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors.
- 21 The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.
- 22 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Capital Prudential Indicators 2024/25 – 2026/27

- 23 The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members’ overview and confirm capital expenditure plans.

Agenda Item 8

Capital Expenditure and Financing

- 24 This prudential indicator is a summary of The Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Services	12,618	5,004	33,719	27,584	18,077
Total	12,618	5,004	33,719	27,584	18,077

- 25 Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.
- 26 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital receipts	6,787	4,629	591	-	-
Capital grants	2,194	375	1,128	1,128	1,128
Capital reserves	517	-	582	582	582
Mixed Funding	-	-	500	500	500
Revenue	-	-	-	-	-
Net financing need for the year	3,119	-	30,918	25,374	15,867

The Council's Borrowing Need (the Capital Financing Requirement)

- 27 The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 28 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 29 The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £0m of such schemes within the CFR.
- 30 The Authority is asked to approve the CFR projections below:

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Financing Requirement					
Total CFR	51,318	50,993	81,247	105,951	121,142
Movement in CFR	2,661	(325)	30,254	24,704	15,191

Movement in CFR represented by					
Net financing need for the year (above)	3,119	-	30,918	25,374	15,867
Less MRP/VRP and other financing movements	(458)	(325)	(664)	(670)	(676)
Movement in CFR	2,661	(325)	30,254	24,704	15,191

Agenda Item 8

External borrowing	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Service spend	12,297	11,820	11,334	10,837	10,331
Regeneration			30,918	56,292	72,159
TOTAL	12,297	11,820	42,252	67,129	82,490

External borrowing	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Treasury Management	1,500	3,000	0	0	0

Liability Benchmark

- 31 A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. This is set out in Appendix H.
- 32 There are four components to the LB:
- a. Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
 - b. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
 - c. Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
 - d. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

Core Funds

- 33 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Minimum Revenue Provision (MRP) Policy Statement

- 34 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).
- 35 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.
- 36 The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.
- 37 The Council is recommended to approve the following MRP statement
- For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:
- a. 4% reducing balance (CFR method) – MRP will be calculated as 4% of the opening GF CFR balance;
- From 1 April 2008 for all unsupported borrowing the MRP policy will be
- b. Asset life method (annuity) – MRP will be based on the estimated life of the assets;
- 38 Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational.
- 39 The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.
- 40 MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.
- 41 For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.
- 42 Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.
- 43 MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).
- 44 VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.
- 45 Up to 31 March 2023 the total VRP overpayments have been nil.

Agenda Item 8

The Borrowing Strategy

- 46 The capital expenditure plans set out in paragraphs 24 to 26 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current Portfolio Position

- 47 The overall treasury management portfolio as at 31 March 2023 and for the position as at 30 November 2023 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	actual	actual	current	current
	31.3.23	31.3.23	30.11.23	30.11.23
	£000	%	£000	%
Treasury investments				
Banks	779	10%	380	2%
Building societies - unrated	0	0%	0	0%
Building societies - rated	0	0%	0	0%
Local authorities	0	0%	3,000	17%
DMADF (H.M.Treasury)	0	0%	0	0%
Money Market Funds	2,150	27%	9,700	54%
Certificates of Deposit	0	0%	0	0%
Total managed in house	2,929	37%	13,080	72%
Multi Asset Income Funds	5,000	63%	5,000	28%
Total managed externally	5,000	63%	5,000	28%
Total treasury investments	7,929	100%	18,080	100%

Treasury external borrowing				
Local Authorities	1,500	11%	2,600	18%
PWLB	12,297	89%	11,820	82%
Total external borrowing	13,797	100%	14,420	100%
Net treasury investments / (borrowing)	(5,868)	0	3,660	0

48 The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
External Debt					
Debt at 1 April	12,597	12,297	11,820	42,252	67,129
Expected change in Debt	(300)	(477)	30,431	24,878	15,361
Actual gross debt at 31 March	12,297	11,820	42,252	67,129	82,490
The Capital Financing Requirement	51,318	50,993	81,247	105,951	121,142
Under / (over) borrowing	39,020	39,173	38,995	38,882	38,652

Agenda Item 8

- 49 Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 50 The Deputy Chief Executive and Chief Officer - Finance & Trading reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

- 51 This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary	2023/24	2024/25	2025/26	2026/27
	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000
Debt	40,000	50,000	75,000	90,000
Total	40,000	50,000	75,000	90,000

The Authorised Limit for external debt

- 52 This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.
- 53 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.

54 The Council is asked to approve the following Authorised Limit:

Authorised Limit	2023/24	2024/25	2025/26	2026/27
	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000
Debt	45,000	55,000	80,000	95,000
Total	45,000	55,000	80,000	95,000

Prospects for Interest Rates

55 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate, average earnings and Public Works Loan Board (PWL)B certainty rates, gilt yields plus 80 bps.

	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

56 Appendix A draws together a number of current City views on the prospects for short term and longer fixed interest rates. Appendix B contains Link Group’s latest economic background report and the risks for interest rates as at December 2023.

Borrowing Strategy

57 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Agenda Item 8

- 58 However, this strategy results in a reduction in the level of investment balances the Council is able to hold and therefore reduces investment income. It is therefore proposed that interest may be charged against projects which are funded from internal borrowing.
- 59 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- a. if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
 - b. if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 60 Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

Policy on Borrowing in Advance of Need

- 61 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.
- 62 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Rescheduling

- 63 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.
- 64 If rescheduling is to be undertaken, it will be reported to Cabinet at the earliest meeting following its action.

New Financial Institutions as a Source of Borrowing

- 65 Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for:
- a. Local authorities

- b. Financial institutions (e.g., insurance companies, pension funds, banks, Municipal Bonds Agency, UK Infrastructure Bank etc)

66 Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Annual Investment Strategy

Investment Policy – Management of Risk

- 67 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).
- 68 The Council’s investment policy has regard to the following: -
- a. DLUHC’s Guidance on Local Government Investments (“the Guidance”)
 - b. CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
 - c. CIPFA Treasury Management Guidance Notes 2021
- 69 The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to its risk appetite.
- 70 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.
- 71 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
- a. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

Agenda Item 8

- b. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- c. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d. This Authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Appendix D under the categories of ‘specified’ and ‘non-specified’ investments.
- e. Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
- f. Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- g. Non-specified and loan investment limits. The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of 50%.
- h. Lending limits, (amounts and maturity), for each counterparty will be set using the criteria set out on paragraph 80.
- i. Transaction limits are set for each type of investment in 84.
- j. This Authority will set a limit for its investments which are invested for longer than 365 days, (see table at paragraph 92).
- k. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating (see paragraph 84).
- l. This Authority has engaged external consultants, (see paragraphs 20-22), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in

the context of the expected level of cash balances and need for liquidity throughout the year.

- m. All investments will be denominated in sterling.
- n. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023. More recently, a further extension to the override to 31 March 2025 has been agreed by Government.

72 However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

73 The above criteria are unchanged from last year.

Creditworthiness Policy

74 The primary principle governing The Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, The Council will ensure that: -

- a. It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- b. It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to The Council's prudential indicators covering the maximum principal sums invested.

75 The Deputy Chief Executive and Chief Officer – Finance and Trading will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Full Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which The Council may use, rather than defining what types of investment instruments are to be used.

Agenda Item 8

- 76 Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 77 The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:
- Banks 1 - good credit quality – The Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long-Term rating of AA-and have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):
 - i. Short Term – F1
 - ii. Long Term – A-
 - Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided they continue to be part nationalised or meet the ratings in Banks 1 above.
 - Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
 - Bank subsidiary and treasury operation -. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
 - Building societies The Council will use all societies which: -
 - i. Meet the ratings for banks outlined above;
 - ii. Have assets in excess of £3bn;or meet both criteria.
 - Money Market Funds (MMFs) CNAV – AAA
 - Money Market Funds (MMFs) LNAV – AAA
 - Bond, Property, Equity and Multi-Asset Funds
 - UK Government (including gilts, Treasury Bills and the DMADF)

- Local authorities, housing associations, parish councils etc.

78 Additional requirements under the Code require The Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Agenda Item 8

- 79 The time and monetary limits for institutions on The Council's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long Term Rating (or equivalent)	Money and/or % Limit £000	Time Limit
Banks 1 (i) (UK)	A-	7,000	2 years
Banks 1(ii) (Non UK based on sovereign rating AA-)	A-	5,000	2 years
Banks 2 (Part Nationalised)	N/A	7,000	2 years
Banks 3 (Authorities own bank if not meeting Banks 1(i))	N/A	7,000	1 day
Bank subsidiaries (with parent guarantee)	A-	7,000	2 years
Rated building societies (assets over £3bn)	N/A	5,000	2 years
Unrated building societies (assets over £3bn)	N/A	3,000	1 year
Money Market Funds (CNAV)	AAA	5,000 (per Fund)	Liquid
Money Market Funds (LVNAV)	AAA	5,000 (per Fund)	Liquid
Bond, Property, Equity & Multi-Asset Funds	N/A	5,000 (per Fund)	Liquid
UK Government DMADF	UK sovereign rating	5,000	6 months
Local authorities, housing associations etc	N/A	5,000 (each)	2 years

Agenda Item 8

- 80 The proposed criteria for specified and non-specified investments are shown in Appendix D for approval.

Creditworthiness Issues

- 81 Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.
- 82 Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

Limits

- 83 Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.
- a. Non-specified treasury management investment limit. The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being 50% of the total treasury management investment portfolio.
 - b. Country limit. The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
 - c. Other limits. In addition: -
 - no more than 15% will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies;
 - sector limits will be monitored regularly for appropriateness.

Investment Strategy

- 84 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for

investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

85 Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

86 The current forecast shown in paragraph 89, includes a forecast for Bank Rate to have peaked at 5.25% in Q4 2023.

87 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year

2023/24 (residual)	5.30%
2024/25	4.70%
2025/26	3.20%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

88 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

89 For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

90 There are no changes proposed to the investment strategy for 2024/25.

91 Members are asked to note the following treasury indicator and limit. These limits are set with regard to the Council's liquidity requirements and to reduce the need for an early sale of an investment. They are based on the availability of funds after each year-end.

Agenda Item 8

	2024/25	2025/26	2026/27
	£000	£000	£000
Principal sums invested for longer than 365 days	10,000	10,000	10,000
Current investments as at 01 Dec 23 in excess of 1 year maturing in each year	5,000	5,000	5,000

Investment Performance/Risk Benchmarking

- 92 This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of SONIA (Sterling Overnight Index Average).

End of Year Investment Report.

- 93 At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

Scheme of Delegation

- 94 The guidance notes accompanying the revised Code also require that a statement of the Council's scheme of delegation in relation to treasury management is produced as part of the Annual Investment Strategy. This appears at Appendix F.

Revision of the treasury management and prudential codes and the role of the Section 151 officer

- 95 As with the scheme of delegation mentioned in the previous paragraph, a statement of the role of the Section 151 officer is also required. This appears at Appendix G.

Key Implications

Financial

The management of the Council's investment portfolio and cash-flow generated balances plays an important part in the financial planning of the authority. The security of its capital and liquidity of its investments is of paramount importance.

Legal Implications and Risk Assessment Statement.

Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.

This treasury management strategy report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2021.

Treasury management has two main risks :

- Fluctuations in interest rates can result in a reduction in income from investments; and
- A counterparty to which the Council has lent money fails to repay the loan at the required time.

Consideration of risk is integral in our approach to treasury management. The movement in previous years towards having a restricted lending list of better quality institutions but higher individual limits with those institutions has reduced the chances of a default. But if a default did occur, the potential loss would be greater.

These risks are mitigated by the annual investment strategy which has been prepared on the basis of achieving the optimum return on investments commensurate with proper levels of security and liquidity. However, Members should recognise that in the current economic climate, these remain significant risks and that the strategy needs to be constantly monitored.

Equality Assessment

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

Net Zero Implications

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

Agenda Item 8

Conclusions

The effect of the proposals set out in this report is to allow the Council to effectively and efficiently manage cash balances.

In line with the revised CIPFA Code of Practice on Treasury Management, the Annual Treasury Strategy Statement must be considered by Council and this is planned for its meeting on 20 February 2024.

Appendices

Appendix A – Prospects for Interest Rates

Appendix B – Economic background and interest rate risks

Appendix C – Investment and Loan portfolio at 30 November 2023

Appendix D – Specified and non-specified investments

Appendix E – Approved countries for investments

Appendix F – Treasury management scheme of delegation

Appendix G – The treasury management role of the S151 officer

Appendix H – The Liability Benchmark

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View		07.11.23											
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Additional notes by Link on this forecast table: -

- Our central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- Gilt yield curve movements have broadened since our last Newsflash. The short part of the curve has not moved far but the longer-end continues to reflect inflation concerns. At the time of writing there is 60 basis points difference between the 5 and 50 year parts of the curve.

Agenda Item 8

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

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

- Despite the recent tightening to 5.25%, the **Bank of England proves too timid** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

We now expect the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 06.11.23 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	5.02%	3.80%	3.90%
10 years	5.15%	3.80%	3.80%
25 years	5.61%	4.20%	4.10%
50 years	5.38%	4.00%	3.90%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics’ research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

Our suggested budgeted earnings rates for investments up to about three months’ duration in each financial year are rounded to the nearest 10bps and set out below. You will note that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.70%	4.70%
2025/26	3.20%	3.00%
2026/27	3.00%	2.80%
2027/28	3.25%	3.05%
Years 6 to 10	3.25%	3.05%
Years 10+	3.25%	3.05%

Agenda Item 8

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

ECONOMIC BACKGROUND

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3 month year on year (myy) growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).
- The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.
- The 0.4% month on month (m/m) rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market

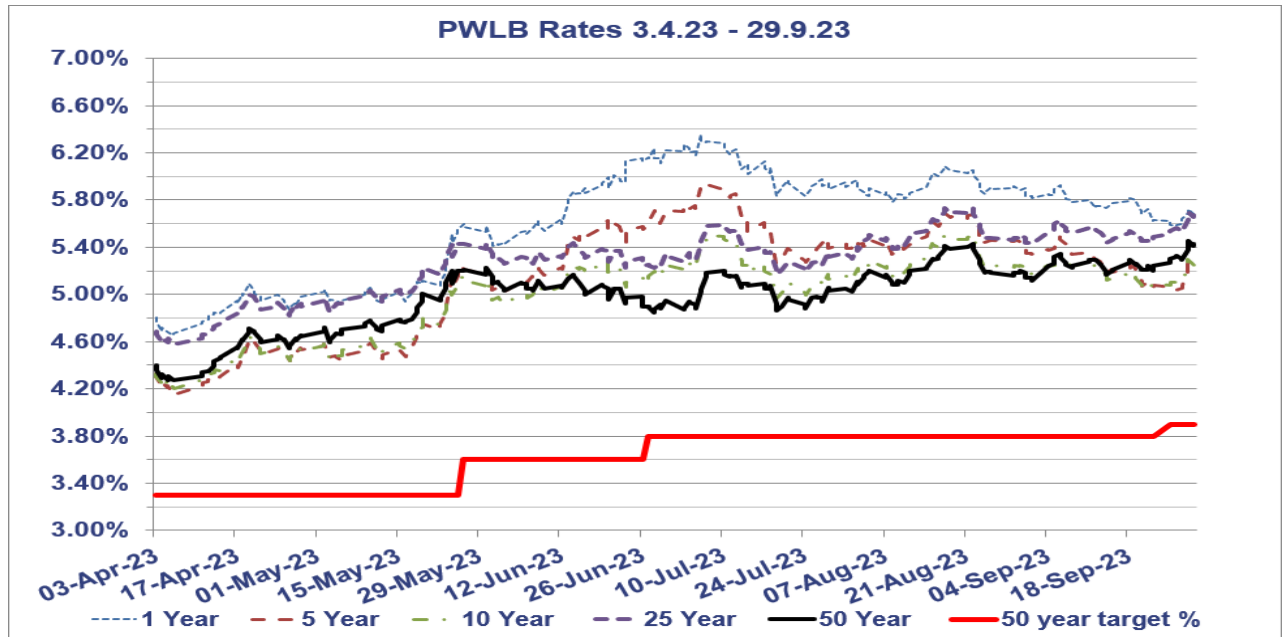
Agenda Item 8

has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

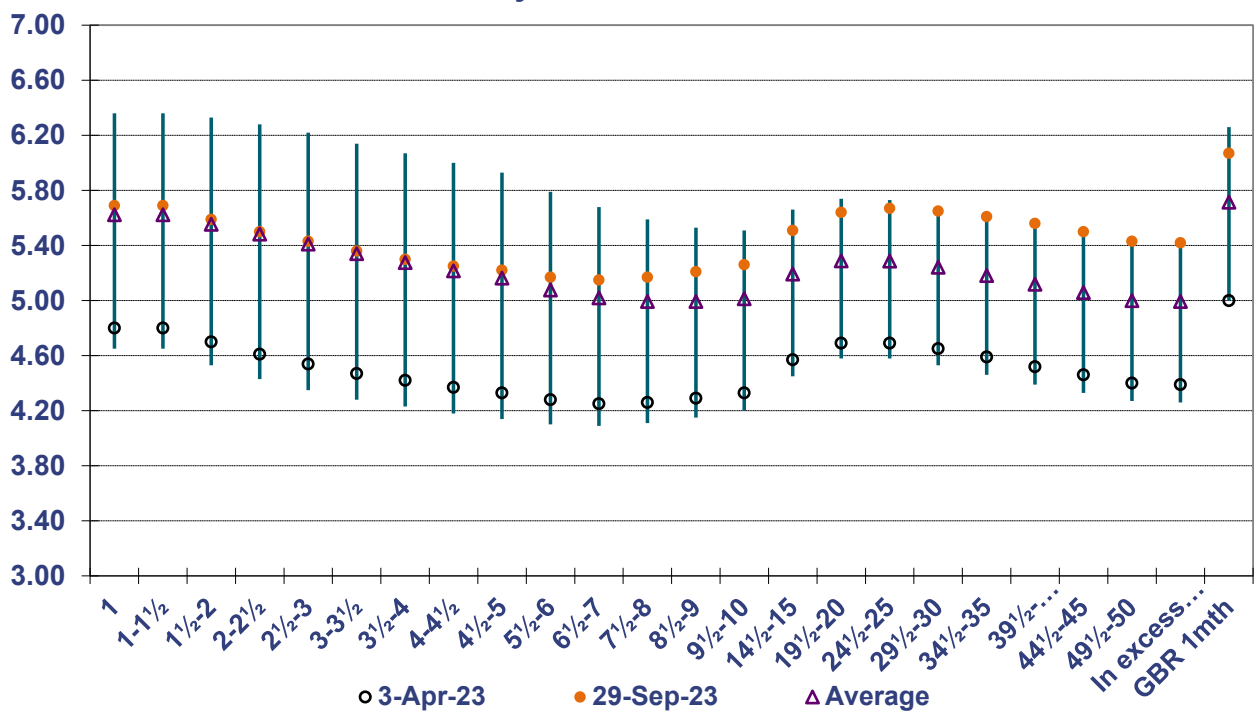
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Eurozone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.
- Consumer Price Index (CPI) inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the Monetary Policy Committee (MPC) are still concerned about the stickiness of inflation.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23



PWLB Certainty Rate Variations 3.4.23 to 29.9.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 - 29.09.23

Agenda Item 8

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

APPENDIX C: CURRENT PORTFOLIO POSITION

List of Investments as at:- 30-Nov-23

Reference	Name	Rating	Country	Group	Amount	Start Date	Call/Fixed	End Date	Curr Rate	Terms	Broker	Status
Treasury Investments												
	Barclays Bank plc (Business Premium A/C)	A+	U.K.		380,000	01-Oct-11	Call		2.00%	Variable	Direct	Current
	Svenska Handelsbanken AB (Deposit A/C)	AA	Sweden		0	23-Jul-14	Call		0.00%	Variable	Direct	Current
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA	Sweden		0	01-Sep-16	Call		2.29%	Variable	Direct	Current
	Aberdeen Standard Liquidity Fund (Money Market Fund)	AAA	U.K.		4,200,000	11-May-12	Call		5.29%	Variable	Direct	Current
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		1,200,000	11-May-12	Call		5.25%	Variable	Direct	Current
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		100,000	13-Oct-16	Call		5.32%	Variable	Direct	Current
	CCLA Public Sector Deposit Fund (Money Market Fund)	AAA	U.K.		4,200,000	08-Oct-18	Call		5.27%	Variable	Direct	Current
IP1449	Blackpool Council		U.K.		3,000,000	31-Oct-23	Fixed	13-Feb-24	5.40%	4 Months	Tradition	Current
	Total Invested				<u>13,080,000</u>							
Multi Asset Income Funds												
	Artemis Fund Managers Ltd		U.K.		2,500,000	16-May-22			3.53%		Direct	Current
	Aegon Asset Management UK PLC		U.K.		2,500,000	20-May-22			4.21%		Direct	Current
	Total Invested				<u>5,000,000</u>							
Other Loans												
	Sevenoaks Leisure Limited				503,375	02-Mar-18	6.00000%	02-Mar-28		10 Years	Direct	Current
	Quercus 7 Limited - Long term loan			Balance	5,923,356		avg interest 4.69000%					Current

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APPENDIX D - Treasury management practice (TMP1) – Credit and counterparty risk management

- 1 The Department for Levelling Up, Housing and Communities (DLUHC) issued investment guidance in 2018, and this forms the structure of the authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.
- 2 The key intention of the guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the guidance requires this authority to have regard to the CIPFA publication treasury management in the public services: code of practice and cross-sectoral guidance notes. This Council adopted the code and will apply its principles to all investment activity. In accordance with the code, the director of finance has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.
- 3 Annual investment strategy - the key requirements of both the code and the investment guidance are for the authority to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:
 - The strategy guidelines for choosing and placing investments, particularly non-specified investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments that the authority will use. These are high security (*i.e., high credit rating, although this is defined by the authority, and no guidelines are given*), and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
- 4 The investment policy proposed for the authority is:

Strategy guidelines – the main strategy guidelines are contained in the body of the treasury management strategy statement.

Specified investments – these investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the authority has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

Agenda Item 8

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK government (such as the debt management account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
- Supranational bonds of less than one year's duration.
- A local authority, housing association, parish council or community council.
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building society). This category covers bodies with a minimum short-term rating of xxx (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the code, the authority has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. These criteria are contained within the body of the Treasury Management Strategy Statement.

Non-specified investments – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments with: -

	Non-specified investment category	Limit (£ or %)
a.	The authority's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£7m
b.	Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £3bn.	£3m
c.	Any bank or building society that has a minimum long-term credit rating of A-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£7m
d.	Any non-rated subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category where the parent bank has provided an appropriate guarantee and has the necessary ratings outlined above.	£7m
e.	Share capital in a body corporate – the use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources.	£50k

	Revenue resources will not be invested in corporate bodies. See note 1 below.	
f.	Bond funds. A pooled investment vehicle with a mix of corporate and government grade bonds. See note 1 below.	£5m
g.	Other Funds – including Property, Equity and Multi-Asset Funds. These are pooled investment vehicles specialising in property, equities or a mixture of assets. The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. See note 1 below. This Authority will seek guidance on the status of any fund it may consider using.	£5m

Note 1. This authority will seek further advice on the appropriateness and associated risks with investments in these categories.

Within categories a and b, and in accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. These criteria are contained in the body of the treasury management strategy statement.

- 5 **The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The authority receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Deputy Chief Executive and Chief Officer – Finance & Trading, and if required new counterparties which meet the criteria will be added to the list.

Agenda Item 8

APPENDIX E - Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K.

APPENDIX F - Treasury management scheme of delegation

Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

Finance & Investment Advisory Committee

- reviewing the treasury management policy and procedures and making recommendations to Cabinet.

Agenda Item 8

APPENDIX G - The treasury management role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

The above list of specific responsibilities of the S151 officer in the 2021 Treasury Management Code has not changed. However, implicit in the changes in both codes, is a major extension of the functions of this role, especially in respect of non-financial investments (which CIPFA has defined as being part of treasury management).

Examples are as follows:-

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above

- creation of treasury management practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

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Agenda Item 8

APPENDIX H - Liability Benchmark

	£'000	£'000	£'000	£'000	£'000
Financial Year End	Opening Balance	1	2	3	4
	2023	2024	2025	2026	2027
PWLB Loans	£12,597	£12,297	£11,820	£42,252	£67,129
Market Loans (excl LOBO loans)					
LOBO Loans					
Short Term inc LA Temporary Borrowing (<1 year)					
Variable rate loans					
Existing Loan Debt Outstanding	£12,597	£12,297	£11,820	£42,252	£67,129
Opening Loan Debt	£12,597				
Less: opening treasury investments	-£7,929				
Plus: planned prudential borrowing	£0		£30,918	£25,374	£15,867
Less: MRP & Capital Receipts set aside	-£458	-£325	-£664	-£670	-£676
+/- other forecast cashflows					
Net Loans Requirement (forecast net loan debt)	£4,210	£3,885	£34,139	£58,843	£74,034
Opening Loans CFR	£12,597				
Plus: planned Prudential Borrowing			£0	£30,918	£25,374
Less: MRP & Capital Receipts set aside		-£325	-£664	-£670	-£676
Loans CFR	£12,597	£12,272	£42,526	£67,230	£82,421
Liquidity allowance above net debt (liquidity buffer)	£16,000	£16,000	£16,000	£16,000	£16,000
Liability Benchmark (Gross Loans Requirement)	£20,210	£19,885	£50,139	£74,843	£90,034
Forecast Investments	£16,000	£16,000	£16,000	£16,000	£16,000
(Over)/Under Liability Benchmark	£7,613	£7,588	£38,319	£32,591	£22,905

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BUDGET AND COUNCIL TAX SETTING 2024/25

Cabinet – 8 February 2024

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

Status: For Decision

Also considered by:

- Council – 20 February 2024

Key Decision: No

Executive Summary:

The Council has an excellent track record in identifying, planning for and addressing financial challenges. The 10-year budget method provides the Council with a stable basis for future years.

This report sets out the proposed budget and required level of Council Tax for 2024/25.

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

The report proposes a net expenditure budget of £19.445m in 2023/24 (£18.533m in 2023/24). Subject to any further changes this would result in a **Council Tax increase of 2.97% in 2024/25, with the District's Council Tax being £243.72 for a Band D property for the year (£236.70 in 2023/24), an increase of £7.02.**

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

Portfolio Holder: Cllr. Kevin Maskell

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

Alan Mitchell, Ext. 7483

Recommendation to Cabinet:

- (a) That recommendations (a) to (g) below be recommended to Council.
- (b) Approve the fees and charges for 2024/25 set out in Appendix J.

Recommendation to Council:

- (a) The Summary of Council Expenditure and Council Tax for 2024/25 set out in Appendix F be approved.
- (b) Approve the 10-year budget 2024/25 to 2033/34 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix C(i) to the report, including the budget changes set out in Appendix E to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve.
- (c) Approve the Capital Programme 2024/27 and funding method set out in Appendix K(i) and Capital Strategy 2024/25 set out in Appendix K(iii).
- (d) Approve the changes to reserves and provisions set out in Appendix L.
- (e) That the Local Council Tax Reduction Scheme 2023/24, be rolled forward to 2024/25, with effect from 1 April 2024 (Appendix N).
- (f) Confirmation of the agreement made at Council on 21 February 2023 to shorten the Council Tax premium on long term empty dwellings from the current 2 years (empty) to 1 year from 1 April 2024.
- (g) Confirmation of the agreement made at Council on 21 February 2023 to implement the 100% Council Tax premium on all second homes from 1 April 2025.

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

Introduction and Background

- 1 At the Cabinet meeting on 19 September 2023, Members considered a report setting out the Council's financial prospects for 2024/25 and beyond. That report set out the major financial pressures the Council is likely to face, together with a proposed strategy for setting a balanced and sustainable budget for 2024/25 and beyond.
- 2 It was mentioned in reports presented as part of the 2023/24 Budget Setting Process that it was highly likely that additional savings/income would be required as part of the next budget process. An 'Early Indications' report was presented to FIAC and Cabinet earlier in the summer which identified the areas that could have a significant financial impact on the Council.
- 3 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between October and December, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which were considered by Cabinet on 14 December 2023.
- 4 At Cabinet on 14 December 2023, it was resolved that officers look for further savings/additional income options. These were presented to Cabinet on 18 January 2024 and were supported. When combined with other changes, a balanced 10-year budget is now presented in this report.

Financial Strategy

- 5 The Council's financial strategy continues to aim for long-term financial health and continues to work towards improving financial sustainability. It has been successful through the use of a number of actions including:
 - implementing efficiency initiatives.
 - significantly reducing the back-office function.
 - improved value for money.
 - maximising external income.
 - the movement of resources away from low priority services.
 - an emphasis on statutory rather than non-statutory services.
- 6 A summary of the Financial Strategy can be found at **Appendix B**.
- 7 Over this period, the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 8 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is possible that more accurate data will become available and current assumptions may need to be updated.

Agenda Item 9

10-year Budget

- 9 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, which ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 10 It should not be forgotten that £8.8m of savings have been made since 2011/12. **Appendix D** sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12. This has allowed the Council to deliver a 10-year balanced budget.

Financial Self-Sufficiency

- 11 With the Revenue Support Grant provided by Government having ceased from 2017/18 it is important that the council remains financially self-sufficient by having a financial strategy that is focused on local solutions. These solutions include:
 - continuing to deliver financial savings and service efficiencies.
 - growing the council tax and business rate base.
 - generating more income.
- 12 This Council's approach to budgeting has been recognised by the sector as being exceptional which resulted in it being the winner of the CIPFA Public Finance Innovator of the Year Award in 2017.
- 13 The Local Government Association's Corporate Peer Challenge in December 2021 also commented that 'Sevenoaks District Council takes a long-term view of financial planning with a focus on self-sufficiency. The council's 10-year budget is innovative, an example for the sector and supports long-term decision making.

Review of the 10-year Budget Process

- 14 An audit of the 10-year budget process was completed by Mazars (working for Internal Audit) in 2021 and their findings were that the Council has adequate, effective and reliable controls in place over budget setting and long-term financial planning.

Financial Self-Sufficiency

- 15 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.

- 16 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.
- 17 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.
- 18 The Local Government Association's Corporate Peer Challenge in December 2021 commented that 'Sevenoaks District Council takes a long-term view of financial planning with a focus on self-sufficiency. The council's 10-year budget is innovative, an example for the sector and supports long-term decision making. This extended financial framework provides an excellent platform which has supported effective budget management and planned, long-term, decision making.'
- 19 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 additional Revenue Support Grant funding or New Homes Bonus. Any funding received from these sources will be put into the Financial Plan Reserve which can be used to support the 10-year budget.
- 20 In 2023/24 the government rolled two grants into the Revenue Support Grant which are shown as 'Govt Support: Rolled in grants' on the attached 10-year budget. This Council continues to receive no Revenue Support Grant through the Government formula.
- 21 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. This 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.

Updates on Assumptions

- 22 The following sections provide the latest information on the major income and expenditure streams together with details of the assumptions included in the attached 10-year budget.
- 23 The Provisional Local Government Finance Settlement (LGFS) for 2024/25 was announced on 18 December 2023. The most relevant elements for this Council are included below. Please note that the settlement is only for one year. The Final Local Government Finance Settlement is due to be announced

Agenda Item 9

in early February and any significant changes will be mentioned at the meetings.

Income

- 24 **Government grants** – the following grants were included in the LGFS. They are included in the 10-year budget for 2024/25 only:
- Funding Guarantee (£1.384m) - This grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in 'core spending power' that is lower than 3%, before taking into account (i) council tax level decisions and (ii) changes to funding from rolled in grants. The minimum 3% increase is the same as 2023/24. This increase is largely due to the reduction in New Homes Bonus (NHB) from £184,000 to £14,000. NHB is not included in the 10-year budget.
 - Services Grant (£15,000) – This grant is determined based upon the resources DLUHC has left after decisions on all other grants. For 2024/25 it has significantly reduced.
 - Rolled in Grants (£198,000) – Revenue Support Grant (RSG) is a formula based grant that has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council has received no RSG since 2017 and was not expected to receive any in future years. The LGFS for 2023/24 did include RSG for this council but the reason for this is that a number of previously separate grants have been rolled into RSG. For this council they are 'Local Council Tax Support Subsidy' and 'Family Annexe Council Tax Discount Grant'.
- 25 Negative RSG (i.e. where councils pay government) has previously been proposed by government. It has not been implemented but remains a threat going forward.
- 26 Local Government Funding reform was due to take place in 2019/20 but has continued to be delayed and is not expected to take place in the near future.
- 27 **New Homes Bonus (NHB)** (£0.2m received in 2023/24 but not used to fund the revenue budget) – the Government started this new funding stream in 2011/12 from funds top sliced from RSG with the intention that local authorities would be rewarded for new homes being built over a six-year period. The basis of NHB was changed with effect from 2017/18. Previously it was based on cumulative figures for 6 years, but this was reduced to 5 years from 2017/18 and 4 years from 2018/19. In addition, NHB is only received on tax base growth above 0.4% instead of on all growth (known as the deadweight). Legacy payments relating to previous years are no longer included therefore the amount for 2024/25 has reduced to £14,000.
- 28 It is likely that NHB will eventually be replaced.

29 **Council Tax** (£12.2m) – The Government referendum limit has initially been set at 2% in recent years although it has been changed later in the process. The LGFS has stated that the referendum limit in 2024/25 for district councils will be the higher of 3% or £5. An increase of 2.97% (£7.02 for a Band D property) had previously been assumed so no change has been made. The assumption remains at 2% for later years.

30 The impact of this increase is as follows:

2024/25 Council Tax	Current Assumption
2023/24 £ (Band D pa)	£236.70
% increase	2.97%
£ increase (Band D pa)	£7.02
£ (Band D pa)	£243.72

31 Due to the uncertainty of future Council Tax increase referendum limits, if maximum increases are not taken there will be an ongoing detrimental impact on the ability to increase Council Tax in future years.

32 **Council Tax Base** – the tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing change in the number of Council Tax discounts awarded. The tax base increase in 2024/25 is less than previously assumed. This is largely due to a lower number of new properties built.

33 The assumption going forward is currently an increase of 730 Band D equivalent properties per annum. The Local Plan will affect future tax base assumptions.

34 The Council Tax Collection Rate has remained at 99.4% which is back at pre-pandemic levels.

35 **Council Tax Long Term Empty Premiums and Second Home Premiums** - the Regeneration & Levelling Up Act received Royal Assent in October 2023 and included two important changes to council tax, as follows:

- a) A change in the application of a council tax premium on ‘long term empty’ dwellings. Currently, if a property has been unoccupied and unfurnished for 2 years but less than 5 years, then a 100% council tax premium can be applied to the property. The Act allows this to be shortened from 2 years to 1 year. ‘Long term empty’ premiums are applied to encourage owners to bring properties back into use, so they are not left empty for extended periods. This change can be implemented from 1 April 2024.

Agenda Item 9

- b) The implementation of a council tax premium on 'second homes'. 'Second homes' are properties which are unoccupied but furnished. The Act enables local authorities to apply a 100% council tax premium on second homes. This would mean an owner of a second home in the district would pay double the normal council tax charge. This change can be implemented from 1 April 2025.
- 36 These changes were approved at the Council meeting on 9 February 2023. The assumed increases in Council Tax income from these changes have been updated based on the current number of properties that fall into these categories.
- 37 Council is asked to:
- Confirm the agreement made at Council on 21 February 2023 to shorten the Council Tax premium on long term empty dwellings from the current 2 years (empty) to 1 year from 1 April 2024.
 - Confirm the agreement made at Council on 21 February 2023 to implement the 100% Council Tax premium on all second homes from 1 April 2025.
- 38 **Business Rates Retention** (£2.9m) - The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received. However, tariffs and top ups are then applied. This council is due to collect £37m of Business Rates in 2023/24.
- 39 Previously it has been assumed in the 10-year budget that Business Rates Retention would be at the 'Safety Net Level'. As actual Business Rates retained are above that level, the assumption has been changed to the higher 'Baseline Funding Level'. The following two items are in addition to this.
- 40 A Business Rates Pool operates in Kent and Medway which generally results in councils retaining more Business Rates than if they were not in the pool. There is an optimum level of pool membership, so this council and some others are not currently part of the pool but do benefit as if they were in the pool. The Government has agreed that the pool arrangement will continue in 2024/25.
- 41 Any increased Business Rates retained in 2024/25 due to being linked to the Kent and Medway Business Rates Pool has been included in the budget rather than it being transferred to the Budget Stabilisation Reserve as in most previous years. Nothing from the pool has been assumed in later years.
- 42 It was announced, as part of the Autumn Statement 2023, that the small business rates multiplier for 2023/24 will remain frozen at 49.9p and there will be an increase to the standard rate multiplier of 6.7% (from 51.2p to 54.6p). This approach to applying inflation requires authorities to be compensated for the inflation increase lost to the small business rates multiplier element of their taxbase. This is called 'Safety Net and Under indexing Compensation'. It has

been assumed that this will continue until 2025/26 when a Business Rates Reset may take place.

- 43 **Interest receipts** (£0.3m) – following the investment in Multi-Asset Income Funds (MAIF) in May 2022, interest receipts in 2022/23 were higher than budgeted and are forecast to be higher again in 2023/24. The intention is to hold the MAIF investments for a five year period.
- 44 It should also be noted that interest on the funds lent to Quercus 7 are reported under Property Investment Strategy income rather than Interest Receipts.
- 45 The assumptions for interest receipts have been increased based on current income levels but recognising expected reduced interest rates and available balances in future years.
- 46 **Property Investment Strategy** – The strategy was approved by Council on 22 July 2014 with the intention of building on an approach of property-based investment in order to deliver increased revenue income. This was set against a background of reducing Government Support and continued low rates of return through existing treasury management arrangements.
- 47 Six assets have been purchased or built to date, including the Sevenoaks Premier Inn Hotel, at a cost of £25m.
- 48 As well as the £25m above, £10m has been spent by Quercus 7 Ltd on five assets. The figures below include as assumed dividend of £60,000 per annum from Quercus 7.
- 49 Property Investment Strategy income assumptions are as follows:
- | | |
|-------------------|-------------------|
| 2024/25 – 2025/26 | £1.724m per annum |
| 2026/27 – 2033/34 | £1.749m per annum |
- 50 Members should be aware that the Government and CIPFA have implemented ways to limit a Council's ability to make commercial property investments. This has stopped the Council's ability to borrow for investments made purely for yield which was the principal purpose of the Property Investment Strategy. Government may take further action following Woking BC issuing a s114 notice which was due to their approach to property.
- 51 A Property Investment Strategy Update report has been presented to Finance Advisory Committee on 11 January 2024 and is also included on the agenda for these meetings.
- 52 **Fees and charges** – the council receives income in fees and charges from a number of sources.

Agenda Item 9

- 53 The assumption is for a 2.5% increase in income for all years. In addition, it was forecast that car parking income would be 25% below pre-Covid budgeted levels in 2021/22 with the position improving by 5% each year. Therefore, the assumption for 2024/25 is 10% below pre-Covid levels. A separate report on car parking fees has been presented to the Cleaner and Greener Advisory Committee and also Cabinet.
- 54 It was recognised that fees and charges needed to play a major part in reducing the original budget gap. The Finance Team in conjunction with service managers completed a significant exercise during this budget process by reviewing all fees and charges across the council. Existing income budgets were challenged and by using non-financial information, there is now greater certainty that the budgets are set at appropriate levels.
- 55 Changes were included in the Town and Country Planning Act in December that have enabled certain statutory Planning fees to be increased after being fixed at lower levels for several years.
- 56 Additional income of £300,000 has been included following the review of fees and charges.
- 57 Cabinet are requested to approve the schedule of fees and charges for 2024/25 included at **Appendix J**.
- 58 **External Funding** - the Council has been very successful in securing external funding across a range of services, based on it delivering a wide range of innovative services to local residents, often in partnership with other agencies. The Council's officers continue to seek new opportunities for funding.
- 59 **Shared working** - Various services have included savings from shared working in previous years budgets. The Council successfully works in partnership with other authorities in a number of areas, including Revenues, Benefits, Internal Audit, Counter Fraud, Finance, Licensing and CCTV.

Expenditure

- 60 **Pay** costs total £19m. The National Employers for local government services and the unions finally agreed the 2023/24 pay award in November. It was agreed at £1,925 per person or 3.88% on SCP43 and above and that allowances would also increase by 3.88% and the actual cost was £597,000 above budget. This equates to an average increase of 5.7% in the Council's staff costs.
- 61 The original assumption for the April 2024 pay award was 2% but this was increased to 3% earlier in the budget process. The view nationally is that the pay award may be higher therefore it has now been increased to 4%. It remains at 2% for later years. Negotiations have not yet commenced.
- 62 **Superannuation fund** - the latest pension fund triennial valuation by the actuaries Barnett Waddingham took place in November 2022.

- 63 The funding level has increased from 86.6% to 93.1% since the previous valuation in 2019. The 10-year budget includes the contribution amounts set by the actuaries for 2023/24 to 2025/26 and includes an additional £50,000 from 2026/27 when the next triennial valuation will come into effect.
- 64 **Non-pay costs** – The budget assumes non-pay costs will increase by an average of 2.25% in all years. In practice, inflation has been higher than this therefore it is up to managers to manage within their overall cash limit. Growth items outside of this have been included as separate items in the budget process. Inflation is currently at 4.0% (CPI) (as at December 2023).
- 65 **Asset Maintenance** - Any asset maintenance expenditure is funded by the revenue budget each year. Asset maintenance expenditure can fluctuate as the demand for programmed and ad hoc work varies across sites. A detailed review of the asset maintenance requirements for council owned properties was carried out in 2018/19. The asset maintenance budgets are regularly reviewed, and the average yearly liability covered by the budget continues to be 64%.
- 66 The Council has an ageing asset portfolio, which means the buildings are costly to run and maintain and as such the maintenance of assets are a significant budget pressure which cannot be addressed entirely through the revenue budget and therefore the Council will need to find creative solutions or ensure development schemes are self-financing. A Capital Programme and Asset Maintenance 2024/27 report was presented to the Finance and Investment Advisory Committee on 11 January 2024.
- 67 **Annual Savings** - an annual Net Savings/Additional Income assumption of £100,000 is included for all years in the 10-year budget.
- 68 **Kent County Council** – with the known financial challenges faced by KCC, there is a risk that actions they take to manage their budgets may result in this Council being impacted resulting in additional expenditure or reduced income.

Collection Fund – Council Tax Surplus/Deficit Calculation

- 69 Rules governing the operation of the collection fund require the Council to make an estimate on 15 January (or the next working day) each year of the fund's likely surplus or deficit at the end of the current financial year, in respect of council tax transactions. The amount so estimated is to be shared between the District Council, County Council, Fire and Police in proportion to their precepts on the collection fund. Each authority's share is to be taken into account by the authority in calculating its council tax for the year following the year in which the surplus or deficit has been estimated.
- 70 The estimated deficit as at 15 January 2023 was £1,338,480, whilst the actual surplus balance at 31 March 2023 was £1,322,745. This represents 1.15% of the gross council tax collectible during 2023/24 of approximately £115m.

Agenda Item 9

- 71 The purpose of the calculation as at 15 January 2024 is to estimate the likely surplus or deficit balance on the collection fund as at 31 March 2024. This is based on the tax bills issued for the year, current collection performance and the level of bad debt provision held.
- 72 This Council's share of the estimated deficit as at 31 March 2024 is £12,759. A similar apportionment has been carried out for the County Council, Fire and Police, based on the relative level of their precepts. As this is a very small amount relative to the amount of Council Tax collected, no change has been made to the budget.

Current 10-year Budget Position

- 73 The 10-year budget (**Appendix Ci**) shows a fully funded 10-year position. By continuing to use the 10-year budget strategy, this council remains in a strong position going forward.
- 74 **Appendix E** shows the changes in the 10-year Budget since it was last approved by Council in February 2023.
- 75 The flexibility of the 10-year budget approach assists in these uncertain times. With inflation recently at a long time high, the future extent of price increases remains uncertain. Therefore, the budget includes those items where there is certainty or a good indication but for others, assumptions have remained unchanged. As has been shown with our approach to recent pay awards, when there is a high degree of uncertainty it is currently best to deal with these issues when they arrive. The danger of changing assumptions with the current uncertainties is that greater savings and reductions to services may be made than end up being required.
- 76 At the Cabinet meeting on 14 December 2023, it was resolved that officers continue working on a number of areas raised by Members that may be beneficial in future budgets. These include procurement and consultancy.
- 77 **Progress on the savings plan** – 2024/25 will be the fourteenth year of using the 10-year budget. Prior to this budget process, 211 savings/additional income items have been identified totalling £8.8m. The majority of these savings/additional income items have already been achieved and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.
- 78 **Changes since the 10-year budget started** – The table below shows how the Net Service Expenditure has changed since 2010/11. This shows that the budget has reduced by £2.605m (13%) in real terms.

Net Service Expenditure	£000
2010/11 (budget)	16,711
2024/25 (2010/11 budget +2% inflation per year)	22,050
2024/25 (budget)	19,445
Difference	2,605

2024/25 Budget and Council Tax

- 79 After allowing for the growth and savings agreed and the key changes made during this budget process, the resulting net expenditure for 2024/25 is £19.445m. As shown in **Appendix F** this results in Council Tax income of £12.768m, meaning that the District element of the Band D charge will be £243.72.
- 80 When the other preceptors announce their increases, details will be included in **Appendix P**.
- 81 Further details of the budget can be found in the following appendices:
- 10-year budget – Revenue (**Appendix C(i)**)
 - 10-year budget – Balance Sheet (**Appendix C(ii)**)
 - Summary of Council Expenditure and Council Tax (**Appendix F**)
 - Summary of 2024/25 service analysis in Budget Book format (**Appendix G**)
 - Analysis of 2024/25 pay costs (**Appendix H**)
 - Fees and Charges 2024/25 (**Appendix J**)

Capital Programme

- 82 A report setting out the proposed 2024/27 Capital Programme, with supporting documentation in a standard format for individual scheme bids was presented to the Finance and Investment Advisory Committee (FIAC) on 11 January 2024.
- 83 Scheme bid documents were received for all new schemes which included the proposed funding methods.

Agenda Item 9

- 84 Unspent budgets in the current year's programme (2023/24) can be carried forward to 2024/25, subject to Cabinet approval, when the outturn is known.
- 85 **Appendix K(i)** summarises the position if all schemes are approved and indicates the funding method proposed. **Appendix K(ii)** contains the bids for each new capital scheme.
- 86 The Capital Strategy 2024/25 was also presented to FIAC and is included at **Appendix K(iii)**.
- 87 Council will be informed at the meeting of any changes recommended by Cabinet. Council are requested to approve the 2024/27 Capital Programme and the Capital Strategy 2024/25.

Integration with other budget reports on the Cabinet Agenda

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

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

- 90 Under the Local Government Act 2003 the Statutory Finance Officer (Section 151 officer), the Deputy Chief Executive and Chief Officer - Finance and Trading, is required to give Members an opinion on the robustness of the budget estimates and the adequacy of reserves.
- 91 In terms of the robustness of the budget, the following sources of assurance were taken into account:
- The Financial Strategy, including a 10-year Budget, clear financial objectives and sensitivity analysis.
 - Growth and savings suggestions proposed.
 - The strong financial control structure and effective performance management within the Council, confirmed by feedback from external auditors.
 - Clear budget responsibilities at individual officer level.
 - Effective monitoring regime giving early notification of potential financial issues through the use of the Finance and Investment Advisory Committee.
 - Effective Internal audit system, with risk-based audits, reporting through the Audit Committee.

- Set aside of earmarked funds for potential liabilities in the medium term.
- Effective strategic and operational risk management.

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

93 As is the case every year, inevitably there are a number of risk factors within the 2024/25 budget proposals; these are set out in some detail in **Appendix M**. This Appendix was also considered by the Finance and Investment Advisory Committee on 11 January 2024. Some of the more significant items are set out below.

a) Pay costs.

Pay costs are budgeted on 100% basis, with a 4% inflationary pay award assumption in 2024/25 included and with a separate vacancy saving target. With controls over the appointment of any staff and monitoring of staff numbers as well as costs, pay costs are subject to a high level of control. Negotiations on the national pay award for 2024/25 have not yet started.

b) Income

In-depth monitoring of income budgets will continue throughout the year and will be given regular consideration by the Finance and Investment Advisory Committee. A detailed exercise looking at fees and charges has taken place during this budget process.

c) Utility Costs

A separate growth item was included in the budget process to allow for the estimated increase in costs but the uncertainty regarding future prices remains and will be kept under review.

d) Retained Business Rates

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

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

Agenda Item 9

Adequacy of Reserves

- 95 Ensuring the adequacy, necessity and sustainability of the Council's reserves continues to be a key part of the budget process. Individual balances have been reviewed as part of writing this report and the detailed work is set out in **Appendix L**. This review should ensure that all provisions and earmarked reserves are adequate for their purposes.
- 96 It is recommended that the Council hold a minimum General Fund reserve balance of 10% of its net Revenue Budget, for emergencies.
- 97 The strong formal advice of the Deputy Chief Executive and Chief Officer – Finance and Trading to the Council is that every effort must be made to achieve the agreed savings in order to ensure financial sustainability and preserve the level of reserves for future commitments. The Council should avoid the General Fund Reserve balance reducing below 10% of its Net Service Expenditure (for 2024/25 this equates to £1.945m).

Opinion

- 98 The Deputy Chief Executive and Chief Officer – Finance and Trading (Section 151 officer) is satisfied with the robustness of the estimates and adequacy and necessity of reserves.

Referendums relating to council tax increases

- 99 Section 72 of the Localism Act 2011 inserted Section 52ZB into the Local Government Finance Act 1992. This sets out the duty on local authorities, fire authorities and Police and Crime Commissioners (PCCs) to each determine whether the amount of council tax they plan to raise for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum apply.
- 100 The Secretary of State has published draft thresholds in relation to 2024/25 council tax levels. For district councils, a referendum will be required if the authority sets an increase of 3% (or more than 3%), or more than £5 (at Band D) whichever is greater. For this council, £5 is less than 3% for a Band D property.
- 101 As in previous years, no equivalent principles are being proposed for Town and Parish Councils although the Government has said that they will keep this under review and take action if necessary.

Local Council Tax Reduction Scheme 2024/25

- 102 The Council Tax Reduction scheme replaced Council Tax Benefit with effect from 1 April 2013.
- 103 Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age applicants

is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.

- 104 Schedule 1A (5) of the Local Government Finance Act 1992 as amended requires local authorities to consider the following:
- For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.
 - The authority must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 105 The 2023/24 Local Council Tax Reduction Scheme was approved by Council on 21 February 2023.
- 106 Further details can be found in **Appendix N** and a copy of the full scheme is available upon request.
- 107 It is recommended that the Local Council Tax Reduction Scheme 2023/24, be rolled forward to 2024/25, with effect from 1 April 2024.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement

It is a requirement for the Council to set a balanced budget, failure to be able to do so could result in a S.114 notice being issued by the S.151 Officer. There is currently no expectation that the Council would be required to be in that position. The 10-year budget approach provides adequate flexibility to manage most circumstances, subject to sufficient savings being identified and implemented, and the ongoing effective and prudent management of the Council's finances.

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

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

Agenda Item 9

Challenges and risks were included in the Service Dashboards presented to the Advisory Committees and each Service Change Impact Assessment (SCIA) included the likely impacts including a risk analysis.

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

Equality Assessment

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

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

Net Zero Implications

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

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

Community Impact and Outcomes

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

Conclusions

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

The flexibility of the 10-year budget approach assists in these uncertain times. With inflation recently at a long time high, the future extent of price increases remains uncertain which may impact the next budget process.

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

If the council tax resolution attached in **Appendix R** is approved, the Sevenoaks District Council element of the band D council tax will be £243.72.

Agenda Item 9

Appendices

Appendix A – Budget timetable

Appendix B – Financial Strategy

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

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

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

Appendix E – Summary of changes to the 10-year Budget

Appendix F – Summary of Council Expenditure and Council Tax

Appendix G – Summary of service analysis in budget book format

Appendix H – Analysis of pay costs

Appendix J - Fees and Charges 2024/25 (also considered by Finance and Investment Advisory Committee on 11 January 2024)

Appendix K (i) – Capital Programme 2024-27 (also considered by Finance and Investment Advisory Committee on 11 January 2024)

Appendix K (ii) – Capital Programme bids (also considered by Finance and Investment Advisory Committee on 11 January 2024)

Appendix K (iii) – Capital Strategy 2024/25 (also considered by Finance and Investment Advisory Committee on 11 January 2024)

Appendix L – Reserves

Appendix M – Risk analysis (also considered by Finance and Investment Advisory Committee on 11 January 2024)

Appendix N – Local Council Tax Reduction Scheme 2024/25

Appendix P – Latest information on precepting authorities (only in Council report)

Appendix Q – Town and Parish Council precepts and council tax rates (only in Council report)

Appendix R – Council tax setting recommendations (only in Council report)

Appendix S – Council tax rates across the district (only in Council report)

Background Papers

Financial Prospects and Budget Strategy 2024/25 and Beyond – Cabinet 19
September 2023

Budget 2024/25: Review of Service Dashboards and Service Change Impact
Assessments (SCIAs): Development and Conservation Advisory Committee 31
October 2023, Finance and Investment Advisory Committee 2 November 2023,
Housing and Health Advisory Committee 7 November 2023, Cleaner and Greener
Advisory Committee 23 November 2023, People and Places Advisory Committee
30 November 2023, Improvement and Innovation Advisory Committee 5
December 2023

Budget Update 2024/25 – Cabinet 14 December 2023

Budget Update 2024/25 – Cabinet 18 January 2024

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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2024/25 Budget Setting Timetable

Stage 1: Financial Prospects and Budget Strategy 2024/25 and Beyond

5 September – Finance & Investment AC

19 September – Cabinet

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

31 October – Development & Conservation AC

2 November – Finance & Investment AC

7 November – Housing & Health AC

23 November – Cleaner & Greener AC

30 November – People & Places AC

5 December – Improvement & Innovation AC

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

14 December – Cabinet

Stage 4: Budget Update

18 January - Cabinet

Stage 5: Budget and Council Tax Setting Meeting (Recommendations to Council)

8 February - Cabinet

Stage 5: Budget and Council Tax Setting Meeting (incl. Council Tax setting)

20 February – Council

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

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Financial Strategy



INTRODUCTION

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

With the cost of living crisis and events around the world, it remains important to have clear plans in place that may require difficult but necessary savings proposals.

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



OUR FINANCES

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

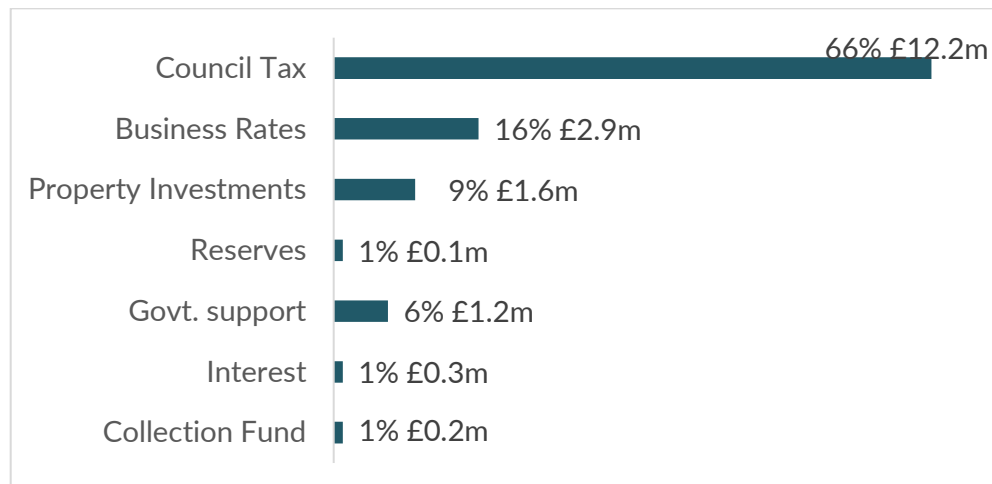
What's important to us:

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

To be successful, we must:

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

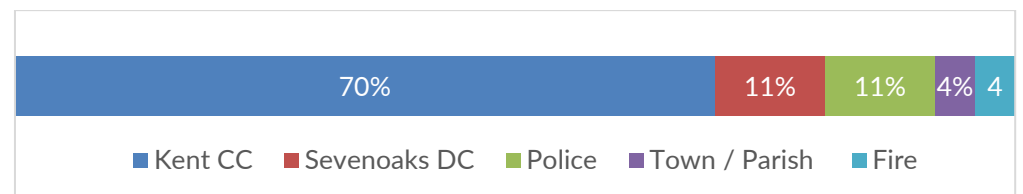
WHERE OUR MONEY COMES FROM (also income from services is £12.6m)



COUNCIL TAX

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

Sevenoaks District Council's part of the charge at Band D is £236.70, 11% of the total. Council Tax contributes about £12.2million to District Council services.



WHERE OUR MONEY IS SPENT

In 2023/24 the Council will spend about £18.5million on services for local people

	Cleaner & Greener £5.8m
	Development & Conservation £1.0m
	Housing & Health £1.4m
	People & Places £0.8m

	Finance & Investment £3.3m
	Improvement & Innovation £6.4m
	Other £-0.2m

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

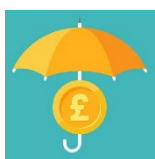
Financial self-sufficiency



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

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

Savings & reserves



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

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

Income & investments



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

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

Delivering our Financial Strategy

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

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

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



Outcomes and success measures

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

Ten Year Budget - Revenue

Appendix C(i)

	Budget 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	17,297	18,533	19,445	18,402	18,634	19,221	19,724	20,181	20,873	21,389	22,119
Inflation	1,188	1,679	568	576	585	596	607	617	627	640	650
Superannuation Fund deficit	(270)	0	0	50	0	0	0	0	0	0	0
Net growth/(savings) (approved in previous yrs)	319	(1,115)	(253)	(272)	58	7	0	75	(111)	90	18
New growth	0	1,761	(1,038)	(150)	0	0	0	100	100	100	100
New savings/Income	0	(1,414)	(320)	28	(56)	(100)	(150)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	18,533	19,445	18,402	18,634	19,221	19,724	20,181	20,873	21,389	22,119	22,787
Financing Sources											
Govt Support: Rolled in grants	(186)	(198)	0	0	0	0	0	0	0	0	0
: Funding Guarantee	(912)	(1,384)	0	0	0	0	0	0	0	0	0
: Lower Tier Services Grant	0	0	0	0	0	0	0	0	0	0	0
: Services Grant	(90)	(15)	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	(12,229)	(12,768)	(13,309)	(13,759)	(14,221)	(14,697)	(15,186)	(15,691)	(16,208)	(16,740)	(17,214)
Business Rates Retention	(2,868)	(3,228)	(3,018)	(2,543)	(2,572)	(2,603)	(2,634)	(2,665)	(2,719)	(2,774)	(2,830)
Collection Fund Deficit/(Surplus)	(216)	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(288)	(532)	(432)	(400)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Property Investment Strategy Income	(1,618)	(1,724)	(1,724)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)	(1,749)
Contributions to/(from) Reserves	(131)	(877)	398	398	398	398	398	398	398	370	331
Total Financing	(18,538)	(20,726)	(18,085)	(18,053)	(18,444)	(18,951)	(19,471)	(20,007)	(20,578)	(21,193)	(21,762)
Budget Gap (surplus)/deficit	(5)	(1,281)	317	581	777	773	710	866	811	926	1,025
Cont. to/(from) Stabilisation Reserve (in 23/24 budget)	5	114	(371)	(370)	(580)	(636)	(638)	(751)	(674)	(765)	(841)
Cont. to/(from) Stabilisation Reserve (24/25 budget changes)	0	1,167	54	(211)	(197)	(137)	(72)	(115)	(137)	(161)	(184)
Cumulative 24/25 budget changes: surplus/(deficit)											7

Assumptions	
Business Rates Retention:	'Baseline Funding Level' is the main basis. Also 'Updated safety net and underindexing compensation' is included until 25/26 when a Business Rates reset may take place. Business Rates Retention Pool income is included for 24/25 only.
Council Tax:	2.97% in 24/25, 2% in later years
Council Tax Base:	Increase of 730 Band D equivalent properties per annum
Interest Receipts:	£532,000 in 24/25, £432,000 in 25/26, £400,000 in 26/27 and £300,000 in later years. Based on reducing interest rates and available balances.
Property Investment Strategy:	£1.724m from 24/25, £1.749m from 26/27
Pav award:	4% in 24/25. 2% in later years
Other costs:	2.25% in all years
Income:	2.5% in all years.

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Ten Year Budget - Balance Sheet

Balance Sheet		31/3/24	31/3/25	31/3/26	31/3/27	31/3/28
		Plan	Plan	Plan	Plan	Plan
		£000	£000	£000	£000	£000
Long Term Assets	Note					
Property, Plant and Equipment	1	72,253	104,094	130,169	146,737	146,938
Investment Property		33,263	33,263	33,263	33,263	33,263
Long Term Investments		9,041	9,041	9,041	9,041	9,041
Long Term Debtors		6,143	6,139	6,135	6,131	6,127
		<u>120,700</u>	<u>152,537</u>	<u>178,608</u>	<u>195,172</u>	<u>195,369</u>
Current Assets						
Short-term Investments		(1,427)	(3,032)	(3,854)	(4,676)	(5,498)
Cash and Cash Equivalents		3,075	3,075	3,075	3,075	3,075
Inventories		195	195	195	195	195
Short Term Debtors		5,722	5,722	5,722	5,722	5,722
Assets held for Sale		26	26	26	26	26
Payments in Advance		1,036	1,036	1,036	1,036	1,036
		<u>8,627</u>	<u>7,022</u>	<u>6,200</u>	<u>5,378</u>	<u>4,556</u>
Current Liabilities						
Receipts in Advance		(7,383)	(7,383)	(7,383)	(7,383)	(7,383)
Short Term PWLB Loan		233	233	233	233	233
Short Term Creditors		(12,064)	(12,066)	(12,066)	(12,067)	(12,068)
Short Term Provisions		(4,224)	(4,224)	(4,224)	(4,224)	(4,224)
		<u>(23,438)</u>	<u>(23,440)</u>	<u>(23,440)</u>	<u>(23,441)</u>	<u>(23,442)</u>
NET CURRENT ASSETS		<u>(14,811)</u>	<u>(16,418)</u>	<u>(17,240)</u>	<u>(18,063)</u>	<u>(18,886)</u>
Long Term Liabilities						
Long Term Creditors		1	2	3	4	5
Long Term PWLB Loan		(10,934)	(25,232)	(34,160)	(46,881)	(45,657)
Long Term Provisions		(256)	(256)	(256)	(256)	(256)
Net Pensions Liability	2,3	(12,906)	(11,416)	(9,926)	(8,436)	(6,946)
Capital Grants Receipts in Advance		(2,751)	(2,751)	(2,751)	(2,751)	(2,751)
		<u>(26,847)</u>	<u>(39,654)</u>	<u>(47,091)</u>	<u>(58,321)</u>	<u>(55,606)</u>
TOTAL NET ASSETS		<u>79,042</u>	<u>96,465</u>	<u>114,277</u>	<u>118,788</u>	<u>120,877</u>
USABLE RESERVES						
Usable Capital Receipts Reserve		(12,056)	(26,535)	(40,680)	(43,102)	(43,102)
Earmarked Reserves		(20,493)	(18,112)	(18,510)	(18,908)	(19,306)
General Fund		(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
		<u>(34,350)</u>	<u>(46,448)</u>	<u>(60,991)</u>	<u>(63,811)</u>	<u>(64,209)</u>
UNUSABLE RESERVES						
Capital Adjustment Account		(28,803)	(32,642)	(34,425)	(34,630)	(34,835)
Revaluation Reserve		(30,371)	(30,371)	(30,371)	(30,371)	(30,371)
Accumulated Absences Account		268	268	268	268	268
Pensions Reserve	2,3	12,906	11,416	9,926	8,436	6,946
Collection Fund Adj Account		(206)	(206)	(206)	(206)	(206)
NNDR Collection Fund Revenue Account		1,623	1,623	1,623	1,623	1,623
Deferred Capital receipts		(110)	(106)	(102)	(98)	(94)
		<u>(44,693)</u>	<u>(50,017)</u>	<u>(53,286)</u>	<u>(54,977)</u>	<u>(56,668)</u>
TOTAL RESERVES		<u>(79,042)</u>	<u>(96,465)</u>	<u>(114,277)</u>	<u>(118,788)</u>	<u>(120,877)</u>

Notes to Balance Sheet

- 1 Property will depreciate and will not be replaced,
- 2 Pensions figures are based on the actual FRS17 figures required to be included in the statutory accounts. An actuarial
- 3 Pensions liability decrease due to payments being made to reduce the deficit.

Ten Year Budget - Balance Sheet

Balance Sheet continued		31/3/29	31/3/30	31/3/31	31/3/32	31/3/33	31/3/34
		Plan	Plan	Plan	Plan	Plan	Plan
		£000	£000	£000	£000	£000	£000
Long Term Assets	Note						
Property, Plant and Equipment	1	147,139	147,340	147,541	147,742	147,943	148,144
Investment Property		33,263	33,263	33,263	33,263	33,263	33,263
Long Term Investments		9,041	9,041	9,041	9,041	9,041	9,041
Long Term Debtors		6,123	6,119	6,115	6,111	6,107	6,103
		<u>195,566</u>	<u>195,763</u>	<u>195,960</u>	<u>196,157</u>	<u>196,354</u>	<u>196,551</u>
Current Assets							
Short-term Investments		(6,320)	(7,142)	(7,964)	(8,969)	(10,002)	(11,035)
Cash and Cash Equivalents		3,075	3,075	3,075	3,075	3,075	3,075
Inventories		195	195	195	195	195	195
Short Term Debtors		5,722	5,722	5,722	5,722	5,722	5,722
Assets held for Sale		26	26	26	26	26	26
Payments in Advance		1,036	1,036	1,036	1,036	1,036	1,036
		<u>3,734</u>	<u>2,912</u>	<u>2,090</u>	<u>1,085</u>	<u>52</u>	<u>(981)</u>
Current Liabilities							
Receipts in Advance		(7,383)	(7,383)	(7,383)	(7,383)	(7,383)	(7,383)
Short Term PWLB Loan		233	233	233	233	233	233
Short Term Creditors		(12,069)	(12,070)	(12,071)	(12,072)	(12,073)	(12,074)
Short Term Provisions		(4,224)	(4,224)	(4,224)	(4,224)	(4,224)	(4,224)
		<u>(23,443)</u>	<u>(23,444)</u>	<u>(23,445)</u>	<u>(23,446)</u>	<u>(23,447)</u>	<u>(23,448)</u>
NET CURRENT ASSETS		<u>(19,709)</u>	<u>(20,532)</u>	<u>(21,355)</u>	<u>(22,361)</u>	<u>(23,395)</u>	<u>(24,429)</u>
Long Term Liabilities							
Long Term Creditors		6	7	8	9	10	11
Long Term PWLB Loan		(44,433)	(43,209)	(41,985)	(40,761)	(39,537)	(38,313)
Long Term Provisions		(256)	(256)	(256)	(256)	(256)	(256)
Net Pensions Liability	2,3	(5,456)	(3,966)	(2,476)	(986)	504	1,994
Capital Grants Receipts in Advance		(2,751)	(2,751)	(2,751)	(2,751)	(2,751)	(2,751)
		<u>(52,891)</u>	<u>(50,176)</u>	<u>(47,461)</u>	<u>(44,746)</u>	<u>(42,031)</u>	<u>(39,316)</u>
TOTAL NET ASSETS		<u>122,966</u>	<u>125,055</u>	<u>127,144</u>	<u>129,050</u>	<u>130,928</u>	<u>132,806</u>
USABLE RESERVES							
Usable Capital Receipts Reserve		(43,102)	(43,102)	(43,102)	(43,102)	(43,102)	(43,102)
Earmarked Reserves		(18,447)	(18,894)	(19,292)	(19,507)	(19,694)	(19,881)
General Fund		(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
		<u>(63,350)</u>	<u>(63,797)</u>	<u>(64,195)</u>	<u>(64,410)</u>	<u>(64,597)</u>	<u>(64,784)</u>
UNUSABLE RESERVES							
Capital Adjustment Account		(36,296)	(36,452)	(36,658)	(36,863)	(37,068)	(37,273)
Revaluation Reserve		(30,371)	(30,371)	(30,371)	(30,371)	(30,371)	(30,371)
Accumulated Absences Account		268	268	268	268	268	268
Pensions Reserve	2,3	5,456	3,966	2,476	986	(504)	(1,994)
Collection Fund Adj Account		(206)	(206)	(206)	(206)	(206)	(206)
NNDR Collection Fund Revenue Account		1,623	1,623	1,623	1,623	1,623	1,623
Deferred Capital receipts		(90)	(86)	(82)	(78)	(74)	(70)
		<u>(59,616)</u>	<u>(61,257)</u>	<u>(62,949)</u>	<u>(64,640)</u>	<u>(66,331)</u>	<u>(68,022)</u>
TOTAL RESERVES		<u>(122,966)</u>	<u>(125,055)</u>	<u>(127,144)</u>	<u>(129,050)</u>	<u>(130,928)</u>	<u>(132,806)</u>

Year	SCIA No.	Description	2011/12 - 2023/24 £000	2024/25 £000	Later Years £000	Total £000
Cleaner and Greener Advisory Committee						
2021/22	-	Car Parking: assumed 25% reduction in 21/22 income improving by 5% per year	617	(206)	(411)	
2023/24	20	Env. Health: Air quality monitoring (reversal of temporary growth item)	22	(22)		
Development and Conservation Advisory Committee						
2022/23	9	Development Management: additional application fee income (reversal of temporary savings item)	(25)	25		
Finance and Investment Advisory Committee						
2023/24	21	Various: Utility Costs (reversal of temporary growth item)	180	(180)		
2023/24	22	Prop & Comm: Meeting Point Business Hub (reversal of temporary growth item)	60	(27)	(33)	
2023/24	-	Local Council Tax Support Admin Subsidy (rolled into RSG)	111	(111)		
Housing and Health Advisory Committee						
2022/23	1	Housing: Temporary accommodation (reversal of temporary growth item)	300	(300)		
2023/24	1	Housing: Temporary accommodation occupation charge (reversal of temporary growth item)	36	(36)		
Improvement and Innovation Advisory Committee						
2023/24	1	Apprenticeship Levy (reversal of temporary growth item)	55	(55)		
People and Places Advisory Committee						
2022/23	-	New White Oak Leisure Centre	216	(205)	(11)	
2023/24	11	Health & Communities: Reduction in youth funding associated to removal of van (part reversal of savings item)	(6)	2		
					0	
Minor movements between years						
Other savings/additional income items completed in earlier years			(8,754)			
Other growth items completed in earlier years			2,876			
Total Savings/additional income			(8,785)	27	0	(8,758)
Total Growth			4,473	(1,142)	(455)	2,876
Net Savings			(4,312)	(1,115)	(455)	(5,882)

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	2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Growth: Additional Expenditure or Reduced Income				
Savings target built into budget	100	1,000	100	Annual savings assumption included in the 10-year budget.
April 2023 pay award (1/2)	760	8,322	832	Current employers offer would cost £750,000 in 2023/24.
April 2024 pay award (2% to 3%) (2/2)	188	2,060	206	Unknown but this reflects a 1% increase above the current assumption.
Apprenticeship levy	40	400	40	Current growth SCIA for £55,000 ends after 2023/24 but the Government scheme is expected to continue. Future growth item reduced to £40,000 as assumed £15,000 could be removed from staff training budget.
Utility costs	180	500	50	Current growth SCIA of £180,000 only included for 2023/24. Assume this increase reduces over time.
Property Investment Strategy (1/2)	150	1,500	150	Not currently achieving the budgeted income levels from properties held. A separate Property Investment Strategy Update report will be included in the budget process.
Direct Services	600	2,500	250	Agency staff required to deliver current service levels noting continuing high levels of refuse and recycling quantities. Vehicle costs and income issues should improve. Initially £600,000 but assumed that actions will be agreed to reduce future costs.
Homelessness	150	150	15	Current growth SCIA of £300,000 ends after 2023/24. A lot of work has been carried out so that the extra cost in 2024/25 is estimated to be reduced to £150,000 with further actions to remove the extra cost completely from 2025/26.
Leisure provider change	183	1,830	183	Initial estimate of 2 year interim provider of £1.83m (as per report to Council). Updates on operator performance will be provided during the budget process to provide a basis for revised figures. The amounts here reflect the reimbursement of the reserve.
Markets: new contracts from 01/04/23	77	5	1	New contracts from April 2024. Assumed that the number of stalls at Swanley Sunday market gradually increases.
Growth Total	2,428	18,267	1,827	
Savings: Reduced Expenditure or Additional Income				
Quercus 7 dividend	(10)	(100)	(10)	Increase from £50,000 to £60,000 from 2024/25. Scope to increase further but Q7 then unable to build funds for further investment.
Council Tax: Premium Unoccupied Properties (1/2)	(12)	(132)	(13)	Provisionally agreed by Council in February 2023. Starts on 01/04/24.
Council Tax: Second Homes Premium (1/2)	0	(591)	(59)	Provisionally agreed by Council in February 2023. Start delayed until 01/04/25 due to Government legislation requirements.
Fees and Charges	(200)	(2,000)	(200)	Implementation of review. Assume that this will deliver an additional £200,000 of income per annum after allowing for the inflation assumption.
Interest receipts (1/2)	(44)	(440)	(44)	This budget was increased by £100,000 for 4 years from 2023/24. Current receipts suggest that it can be increased further but note expected reduction in balances and fluctuations in interest rates.
Govt settlement: Funding Guarantee (1/2)	(912)	(912)	(91)	Latest suggestion from Government is that this funding will continue in 2024/25 only.
Govt Settlement: Services Grant (1/2)	(90)	(90)	(9)	Latest suggestion from Government is that this funding will continue in 2024/25 only.
Govt settlement: Rolled in Grants (1/2)	(75)	(75)	(8)	Latest suggestion from Government is that this funding will continue in 2024/25.
Business Rates Retention Pool	(250)	(250)	(25)	Include the expected extra retained income in 2024/25 only instead of transferring it to the Budget Stabilisation Reserve as has previously been the case.
Savings Total	(1,593)	(4,590)	(459)	
FINANCIAL PROSPECTS REPORT: NET TOTAL	835	13,677	1,368	

		2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Manager Approved Changes					
Electoral Services		(8)	(80)	(8)	Canvass – introduce e-comms and reduce postage costs
Staff Vacancy Pot Contributions		(70)	(700)	(70)	Regular over achievement -increase from £180k to £250k
Argyle Road		(15)	(150)	(15)	Stationery Review
Revenues & Benefits - Control Team		(8)	(80)	(8)	Removal of vacant post
Revenues & Benefits - Benefits		(9)	(90)	(9)	Reduction in agency staff budget
Revenues & Benefits - Benefits		(13)	(130)	(13)	Possible reduction in one Benefits Officer
Facilities Management		(35)	(350)	(35)	Reduction of 1 FM post (currently vacant)
Facilities Management		(16)	(160)	(16)	Reduction of 1 part time scanning post
Facilities Management		(6)	(60)	(6)	Argyle Road - Closing the building earlier at say 6pm when no committee meetings. Reduced energy and staffing costs.
Facilities Management		(4)	(40)	(4)	Shredding - found a new provider who is cheaper.
Facilities Management		(2)	(20)	(2)	Furniture - budget reduced
Facilities Management		(19)	(190)	(19)	MFDs (photo copiers) - reduced usage
IT		(9)	(90)	(9)	Mobile phones - new contracts
Direct Services - Waste & Recycling		(141)	(282)	(28)	Employ 10 permanent waste & recycling staff instead of agency staff - current service delivery requires higher staffing levels. This would reduce the expected overspend
Finance		(44)	(132)	(13)	Insurance - retender. £44,000 pa saving expected for the three year contract term.
Community Plan		(2)	(20)	(2)	Utilise internal resource rather than external consultants to monitor community plan
Youth		(4)	(40)	(4)	Reduce family fun days
Housing		(56)	(560)	(56)	Review of Structure
Housing		(3)	(30)	(3)	Annual rent review of Hever Road site
Property		0	(240)	(24)	The consolidation of our outsourced block management services
Print Studio (1/2)		(30)	(300)	(30)	Review of Print Studio services and resourcing
Manager Approved Changes Sub Total		(494)	(3,744)	(374)	
Service Change Impact Assessments (SCIA) - Supported by Cabinet 14/12/23					
	SCIA No.				
Direct Services - Refuse & Recycling	9	(100)	(1,000)	(100)	Black waste sacks - stop providing to residents
Direct Services - Refuse & Recycling	10	0	(1,773)	(177)	Recycling sacks - stop providing to residents, instead provide a bag for life. Stopping delivery of both types of sacks would also result in a staff saving
Direct Services - Cess Pools	8	66	660	66	This would remove the budgeted surplus but in reality remove the annual loss
Direct Services - Pest Control	7	45	450	45	This would remove the budgeted surplus but in reality remove the annual loss
Finance	4	(9)	(90)	(9)	Members travel - reduction (£15,000 budget, £6,000 spent in 22/23)
Community Development, Safety and Partnerships	5	(6)	(60)	(6)	Community activities and events, such as the Family Fun Days (and associated design and print costs) will be reduced in duration. Instead the team's focus will be on mobilising communities.
Grants & Support To Voluntary Bodies	6	(5)	(50)	(5)	Reduction in community grants available (from £45k pa to £40k). Grants will continue to range from £500 - £1k.
Env. Health	12	(16)	(160)	(16)	Air Quality Monitoring - Closure of the Bat & Ball AQ Station
Env. Health	12	(16)	(160)	(16)	Air Quality Monitoring - Closure of the Greatness AQ Station

		2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Customer Solutions	13	(30)	(300)	(30)	Reduce from 8am-6pm contact hours to 9am-5pm
SCIA Sub Total		(71)	(2,483)	(248)	
Fees and Charges (not part of the separate fees and charges work)					
SCIA No.					
Planning	1	(5)	(50)	(5)	Fast track LDC applications. Introduce a £500 charge for a guaranteed decision within 30 days
Planning	1	0	(400)	(40)	Fee income - increase in demand expected following adoption of the Local Plan (from 26/27)
Planning	1	0	(250)	(25)	Fee income - further increase in demand expected following adoption of the Local Plan (from 29/30)
Property	14	(20)	(200)	(20)	New fees and charges schedule
Fees and Charges Sub Total		(25)	(900)	(90)	
CABINET 14/12/23: NET TOTAL		245	6,550	656	
Corporate Changes					
Govt Settlement: Funding Guarantee (2/2)		(472)	(472)	(47)	Updated following Provisional Settlement
Govt Settlement: Services Grant (2/2)		75	75	8	Updated following Provisional Settlement
Govt Settlement: Rolled in Grants (RSG)(2/2)		(12)	(12)	(1)	Updated following Provisional Settlement
Business Rates Retention: changed from Safety Net Threshold to Baseline Funding Level in 24/25-25/26		(228)	(1,109)	(111)	Updated following Provisional Settlement. Change in basis due to current actual levels being higher than the safety net.
Business Rates Retention: Comp. for under indexing		(80)	(162)	(16)	Updated following Provisional Settlement
April 2023 pay award (2/2)		(38)	(418)	(42)	Updated for actual impact
April 2024 pay award (3% to 4%)(2/2)		212	2,311	231	Increased in line with latest expectations
Council Tax Base: Updated for CTB2 form		116	1,277	128	Based on actual change
Property Investment Strategy (2/2)		(246)	(1,679)	(168)	Based on latest rental amounts
Council Tax: Premium Unoccupied Properties (2/2)		(26)	(286)	(29)	Increased further based on latest figures
Council Tax: Second Homes Premium (2/2)		0	(437)	(44)	Increased further based on latest figures
Interest receipts (2/2)		(200)	(844)	(84)	Reviewed based on current levels and assumed reduced balances and interest rates in later years
Fees and charges (2/2)		(100)	(1,000)	(100)	A further £100,000 relating to Planning fees
Corporate Changes Sub Total		(999)	(2,756)	(276)	
Manager Approved Changes					
Staff Vacancy Pot Contributions (2/2)		(50)	(500)	(50)	Regular over achievement -increase from £180k to £250k to £300k
Print Studio (2/2)		(10)	(100)	(10)	Increase current proposed saving from £30k to £40k
Facilities Management		(40)	(400)	(40)	Review of service
GIS/Land Charges		(30)	(300)	(30)	Review of service
Facilities Management		0	(135)	(14)	Bring cleaning in house
Revenues & Benefits - Control Team		(13)	(130)	(13)	Staffing reduction
Direct Services - Parking		(67)	(134)	(13)	Parking and Environmental Enforcement restructure
Development Management		(35)	(350)	(35)	Loss of post
Other small changes		(70)	(700)	(70)	
Manager Approved Changes Sub Total		(315)	(2,749)	(275)	

Service Change Impact Assessments (SCIA) - Supported by Cabinet 18/01/24		2024/25 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
	SCIA No.				
Civic Expenses	15	0	(72)	(7)	Reduction in Chairman and Deputy Chairman allowances from 2025/26.
Direct Services - Street Cleansing	16	(40)	(400)	(40)	Collection of separated dog waste by a dedicated operative - stop as dog waste is now also put in regular street bins
Community and Voluntary Sector Grants	17	(58)	(580)	(58)	Reduced funding for the Citizens' Advice Service, Comm. Grants Scheme and the Active Kent and Medway website
SCIA Sub Total		(98)	(1,052)	(105)	
TOTAL		(1,167)	(7)	0	

	2023/24 Budget Net Expenditure £000	2024/25 Budget Net Expenditure £000	
Summary of Council Expenditure & Council Tax			
Service expenditure before Support Services and Capital Charges including trading accounts (see Appendix E)	18,765	19,662	
Capital Charges and Support Services charged outside the General Fund	(232)	(217)	
Sub Total	18,533	19,445	
Non allocated expenditure: Collection Fund adjustment	0	0	
Net Service Expenditure excluding capital charges	18,533	19,445	
Govt Support: Rolled in Grants	(186)	(198)	
Govt Support: Services Grant	(90)	(15)	
New Homes Bonus	0	0	
Funding Guarantee	(912)	(1,384)	
Council Tax Requirement - Sevenoaks DC	(12,229)	(12,768)	
Business Rates Retention	(2,868)	(3,228)	
Collection Fund Deficit / (Surplus)	(216)	0	
Grant & Council Tax income	(16,501)	(17,593)	
Net Expenditure after Grant & Council Tax, before interest	2,032	1,852	
Less: Interest and Investment income	(288)	(532)	
Less: Property Investment Strategy Income	(1,618)	(1,724)	
Amount to be met from/(to) Reserves	126	(404)	
Contributions (to) / from reserves:			
Earmarked Reserves			
Capital	(148)	(148)	
Budget Stabilisation	(44)	(1,011)	
Pension fund valuation	(9)	(28)	
Financial Plan	327	783	
Net Zero Transition	0	0	
Planned contribution from General Fund Reserve	0	0	
	126	(404)	
	2023/24	2024/25	
Taxbase	51,990	52,395	
	£	£	
Council Tax @ Band D	236.70	243.72	
Council Tax Summary (Band D Charge)			% Change % Share
Kent County			
Kent Fire			
Kent Police			
Sevenoaks District			
Average Town/Parish			
		0.00	0.00 0.0

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Net Service Expenditure analysed by Service

	Actuals 22/23 £'000	Budget 23/24 £'000	Budget 24/25 £'000
Summary			
Assistant Chief Executive	1,676	1,975	1,748
Customer & Resources	4,113	4,363	4,502
Finance & Trading	6,796	6,393	7,202
People & Places	2,066	2,122	2,246
Planning & Regulatory Services	2,102	2,086	2,136
Strategic Head Commercial and Property	1,666	1,826	1,828
	<u>18,419</u>	<u>18,765</u>	<u>19,662</u>

Items outside General Fund (232) (217)

18,533 19,445

	Actuals 22/23 £'000	Budget 23/24 £'000	Budget 24/25 £'000
Summary			
Pay Costs	18,443	19,340	21,402
IAS19	0	0	0
Premises and Grounds	2,326	2,529	2,550
Transport	3,184	3,558	3,531
Supplies & Services	3,085	2,917	2,720
Supplies & Services IT	1,389	1,194	1,236
Agency & Contracted	5,838	3,641	3,819
Agency & Contracted - Partnerships	2,287	1,886	2,005
Agency & Contracted - Direct Services	4,601	4,620	4,590
Transfer Payments - Benefits	18,468	22,138	22,138
Transfer Payments - Other	1,081	539	389
Support Services	350	326	313
Funds drawn to/from Reserves	(279)	4	71
Capital Charges	829	1,063	1,062
Income - Other	(4,208)	(2,338)	(2,511)
Income - Gov Gnts	(19,055)	(22,443)	(22,534)
Income - Fees and Charges	(10,279)	(10,329)	(10,988)
Recharges	(7,189)	(7,197)	(7,320)
Recharges - Partnerships	(2,455)	(2,684)	(2,808)
Service expenditure before re-allocation of Support	<u>18,417</u>	<u>18,765</u>	<u>19,662</u>

Items outside General Fund (232) (217)

18,533 19,445

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	18,533
Pay Award 23/24 and 24/25	1,503
Inflation other	176
Net Savings agreed previous years	(1,115)
SCIAS	(194)
Managers Savings	(284)
Other Growth and Savings	826
Proposed Budget 2024/25	<u>19,445</u>

Agenda Item 9

Net Service Expenditure analysed by Service	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Assistant Chief Executive			
Action and Development	4	8	8
Consultation and Surveys	0	4	4
Corporate Management	1,063	1,154	1,220
Corporate - Other	0	195	(155)
Elections	147	136	150
External Communications	238	233	244
Performance Improvement	(2)	0	1
Register of Electors	168	222	226
Administrative Expenses - Legal and Democratic (Electoral)	1	0	0
Administrative Expenses - Transformation and Strategy	13	5	5
Support - General Admin (Print Shop)	44	19	45
Total Service Expenditure	1,676	1,975	1,748

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Assistant Chief Executive			
Pay Costs	1,353	1,443	1,513
Premises and Grounds	4	0	0
Transport	0	0	0
Supplies & Services	284	275	259
Supplies & Services IT	49	67	69
Agency & Contracted	162	379	34
Agency & Contracted - Direct Services	0	0	0
Funds drawn to/from Reserves	42	42	52
Income - Other	(108)	0	0
Income - Gov Gnts	69	(7)	(7)
Income - Fees and Charges	(152)	(200)	(160)
Recharges	(28)	(25)	(13)
Total Service Expenditure	1,676	1,975	1,748

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	1,975
Pay Award and other salary adjustments	59
Other Inflation	10
Net Savings agreed previous years	(55)
Apprenticeship Levy	40
Managers Savings	(118)
Other growth and savings	(163)
Proposed Budget 2024/25	<u>1,748</u>

Agenda Item 9

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Customer & Resources			
Asset Maintenance IT	280	280	244
Benefits Admin	256	187	185
Benefits Grants	(29)	(25)	(25)
Civic Expenses	18	18	19
Corporate Projects	0	0	0
Democratic Services	168	177	210
Dartford Rev&Ben Partnership Hub (SDC costs)	(579)	(3)	0
Land Charges	(27)	(46)	(15)
Local Tax	200	(15)	64
Administrative Expenses - Property (Facilities Manageme	0	0	0
Administrative Expenses - Corporate Services	21	14	18
Administrative Expenses - Legal and Democratic	65	70	61
Administrative Expenses - Human Resources	12	3	5
Administrative Expenses - Revenues and Benefits	2	0	0
Street Naming	4	(4)	3
Support - Rev & Ben Control	353	249	251
Support - Counter Fraud	66	64	77
Support - Contact Centre	839	748	682
Support - Customer Insights	210	249	268
Support - Central Offices - Facilities	318	255	215
Support - General Admin	0	1	1
Support - General Admin (Post/Scanning)	224	240	221
Support - Health and Safety	2	5	28
Support - IT	1,047	1,087	1,179
Support - Legal Function	233	288	297
Support - Local Offices	0	0	0
Support - Nursery	0	0	0
Support - Human Resources	431	523	515
Total Service Expenditure	4,113	4,363	4,502

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Customer & Resources			
Pay Costs	4,562	4,745	4,925
Premises and Grounds	71	71	90
Transport	7	10	10
Supplies & Services	757	751	734
Supplies & Services IT	1,133	974	996
Agency & Contracted	216	131	85
Agency & Contracted - Partnerships	1,914	1,488	1,577
Agency & Contracted - Direct Services	24	25	25
Transfer Payments - Benefits	18,468	22,138	22,138
Transfer Payments - Other	0	0	0
Funds drawn to/from Reserves	(12)	(232)	(232)
Capital Charges	100	0	0
Income - Other	(476)	(152)	(152)
Income - Gov Gnts	(19,004)	(22,402)	(22,402)
Income - Fees and Charges	(465)	(722)	(664)
Recharges	(362)	(289)	(350)
Recharges - Partnerships	(2,821)	(2,175)	(2,277)
Total Service Expenditure	4,113	4,363	4,502

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	4,363
Pay award and other salary adjustments	0
Other Inflation	37
Net Savings agreed previous years	(111)
Council Tax Admin Grant	111
Managers Savings	(52)
Other growth and savings	154
Proposed Budget 2024/25	4,502

Agenda Item 9

Net Service Expenditure analysed by Service

	Actuals 22/23 £'000	Budget 23/24 £'000	Budget 24/25 £'000
Finance & Trading			
Asset Maintenance CCTV	18	19	20
Asset Maintenance Countryside	1	9	9
Asset Maintenance Direct Services	16	43	44
Asset Maintenance Playgrounds	8	16	17
Asset Maintenance Public Toilets	0	16	17
Car Parks	(1,516)	(1,629)	(1,948)
CCTV	342	319	397
Civil Protection	46	52	55
Corporate Management	(0)	0	0
Car Parking - On Street	(343)	(352)	(405)
Refuse Collection	760	334	953
Trade Waste	40	(153)	(54)
Green Waste	111	(43)	(11)
Street Cleansing - Operational	(142)	44	(32)
Transport Workshop	54	77	46
Cesspool Emptying	5	(76)	0
Pest Control	16	(45)	0
Fly Tipping	11	(45)	0
Fleet	(12)	15	(16)
Depots	91	(27)	57
Emergency - Operational	(26)	(17)	(31)
Grounds Maintenance	(46)	(27)	(46)
Environmental Enforcement	1	6	150
Emergency	72	83	88
Parking Enforcement - Tandridge DC	(67)	0	0
Estates Management - Grounds	146	135	132
Housing Advances	0	1	1
Markets	(411)	(408)	(305)
Members	465	494	500
Misc. Finance	1,205	1,505	1,567
Off-Street Enforcement	10	61	(2)
Parks - Greensand Commons Project	0	0	0
Parks and Recreation Grounds	143	143	138
Parks - Rural	183	193	243
Refuse Collection	2,830	2,858	2,736
Administrative Expenses - Chief Executive	12	19	16
Administrative Expenses - Direct Services	5	0	0
Administrative Expenses - Finance	45	24	21
Administrative Expenses - Transport	9	7	6
Street Cleansing	1,593	1,569	1,591
Support - Audit Function	217	210	235
Support - Exchequer and Procurement	217	225	245
Support - Finance Function	254	276	300
Support - General Admin	178	238	218
Support - Direct Services	87	51	57
Support - Procurement	5	7	7
Public Conveniences	36	36	51
Treasury Management	147	131	136
Total Service Expenditure	6,813	6,394	7,202

Net Service Expenditure analysed by Service

	Actuals 22/23 £'000	Budget 23/24 £'000	Budget 24/25 £'000
Finance & Trading			
Pay Costs	6,185	6,504	7,285
Premises and Grounds	1,207	1,255	1,272
Transport	3,157	3,535	3,507
Supplies & Services	1,665	1,592	1,502
Supplies & Services IT	140	149	157
Agency & Contracted	3,183	2,186	2,363
Agency & Contracted - Partnerships	192	200	224
Agency & Contracted - Direct Services	4,567	4,555	4,565
Support Services	274	274	261
Funds drawn to/from Reserves	(265)	25	102
Capital Charges	535	472	470
Income - Other	(751)	(577)	(474)
Income - Gov Gnts	(85)	(33)	0
Income - Fees and Charges	(6,560)	(6,797)	(6,998)
Recharges	(6,513)	(6,634)	(6,707)
Recharges - Partnerships	(135)	(312)	(328)
Total Service Expenditure	6,795	6,393	7,202

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	6,393
Pay Award and other salary adjustments	705
Other Inflation	100
Net Savings agreed previous years	(286)
24/25 SCIA 8 - Cesspools	143
24/25 SCIA 7 - Pest Control	79
24/25 SCIA 9 - Refuse Sacks	(100)
24/25 SCIA4 - FIAC - Members: Member Travel	(9)
24/25 SCIA16 - Dog Waste Bins	(6)
Utility Costs (part)	90
Markets	77
Managers Savings	(47)
Other growth and savings	63
Proposed Budget 2024/25	7,202

Agenda Item 9

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
People & Places			
All Weather Pitch	0	(5)	(5)
Community Development Service Provisions	(6)	(6)	(7)
Community Safety	125	132	131
The Community Plan	34	39	39
Domestic Abuse Duty	0	0	0
Grants to Organisations	198	201	147
Gypsy Sites	21	(3)	(18)
Community Health and Wellbeing	32	36	39
Homeless	627	692	518
Housing Register	64	127	138
Disabled Facilities Grant Administration	(50)	(55)	(60)
Housing	174	182	188
Accommodation Service	65	79	129
Next Steps Accommodation Programme	0	0	0
Housing Pathway Co-ordinator	0	0	0
Homelessness Prevention	0	0	0
Needs and Stock Surveys	1	0	0
Housing Energy Retraining Options (HERO)	56	61	64
Homes for the Ukrainians	0	0	0
KCC- Household Support Fund	0	0	0
KCC Helping Hands	0	0	0
Leisure Contract	350	330	118
Leisure Contract - Interim	0	0	492
Leisure Development	13	15	15
Local Strategic Partnership	4	0	0
Private Sector Housing	264	220	241
Admin Expenses - People & Places Communities	17	19	14
Admin Expenses - People & Places Housing	13	2	6
STAG Community Arts Centre	5	0	0
Homelessness Funding	0	0	0
Troubled Families Project	0	0	0
Youth	60	57	54
Total Service Expenditure	2,067	2,122	2,246

Net Service Expenditure analysed by Service

	Actuals 22/23 £'000	Budget 23/24 £'000	Budget 24/25 £'000
People & Places			
Pay Costs	1,719	1,713	2,135
Premises and Grounds	15	11	7
Transport	8	2	2
Supplies & Services	98	99	65
Supplies & Services IT	16	0	0
Agency & Contracted	1,242	355	793
Agency & Contracted - Direct Services	5	0	0
Transfer Payments - Other	1,080	539	389
Funds drawn to/from Reserves	40	150	97
Capital Charges	185	592	592
Income - Other	(2,236)	(887)	(1,135)
Income - Gov Gnts	0	0	0
Income - Fees and Charges	(108)	(451)	(699)
Recharges	0	0	0
Total Service Expenditure	2,066	2,122	2,246

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	2,122
Other Inflation	10
Pay Award and other salary adjustments	402
Net Savings agreed previous years	(539)
24/25 SCIA5 - PPAC - Grants to Voluntary Bodies	(5)
24/25 SCIA5 - PPAC - Community Development	(6)
24/25 SCIA17 - PPAC - CAB Review	(35)
24/25 SCIA17 - PPAC - Community Grants	(20)
24/25 SCIA17 - PPAC - Kent Sport Funding	(3)
Homelessness funding	150
Leisure Contract	492
Other growth and savings	(322)
Proposed Budget 2024/25	2,246

Agenda Item 9

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Planning & Regulatory Services			
Building Control Non Fee	285	66	94
Building Control Fee	(428)	(220)	(216)
Design and Conservation	186	159	169
Dangerous Structures	1	3	2
EH Commercial	306	0	0
EH Animal Control	15	0	0
EH Environmental Protection	422	0	0
Environmental Health Services	0	780	797
Licensing Partnership Hub (Trading)	(1)	0	0
Licensing Regime	36	73	99
Planning Policy	499	562	565
Local Development Plan	0	0	0
Decarbonisation Fund Net ZERO 2030	65	67	68
Planning - Appeals	266	199	239
Planning - CIL Administration	(42)	(59)	(36)
Planning - Counter	0	(6)	0
Planning - Development Management	(51)	46	(115)
Planning - Enforcement	452	332	388
Planning Performance Agreement	0	0	0
Planning - Development Management - Software Project	0	0	0
Administrative Expenses - Building Control	4	4	10
Administrative Expenses - Health	12	3	4
Administrative Expenses - Licensing	4	4	6
Administrative Expenses - Planning Services	64	50	49
Taxis	7	26	13
Total Service Expenditure	2,103	2,086	2,137

Net Service Expenditure analysed by Service

	Actuals 22/23 £'000	Budget 23/24 £'000	Budget 24/25 £'000
Planning & Regulatory Services			
Pay Costs	3,663	3,842	4,306
Premises and Grounds	15	15	3
Transport	5	11	11
Supplies & Services	207	164	125
Supplies & Services IT	49	2	12
Agency & Contracted	895	449	431
Agency & Contracted - Partnerships	180	198	203
Agency & Contracted - Direct Services	0	40	0
Transfer Payments - Other	0	0	0
Support Services	35	11	11
Funds drawn to/from Reserves	(112)	18	59
Income - Other	(487)	(458)	(489)
Income - Gov Gnts	(18)	0	0
Income - Fees and Charges	(2,831)	(2,009)	(2,332)
Recharges	0	0	0
Recharges - Partnerships	501	(198)	(203)
Total Service Expenditure	2,102	2,086	2,136

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	2,086
Pay Award and other salary adjustments	535
Other Inflation	(11)
Net Savings agreed previous years	(7)
24/25 SCIA 12 - Air Quality Monitoring	(32)
24/25 SCIA 1 - Planning Fees	(5)
Managers Savings	(7)
Other growth and savings	(423)
Proposed Budget 2024/25	2,136

Agenda Item 9

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Strategic Head Commercial and Property			
Asset Maintenance Argyle Road	69	82	84
Asset Maintenance Other Corporate Properties	41	36	37
Asset Maintenance Hever Road	50	42	42
Asset Maintenance Leisure	239	198	202
Asset Maintenance Support & Salaries	142	149	122
Asset Maintenance Sewage Treatment Plants	2	9	10
Bus Station	23	9	14
Economic Development	35	47	43
Swanley Meeting Point	68	60	33
Economic Development Property	418	484	503
UK Share Prosperity Fund	0	0	0
Estates Management - Buildings	(41)	(3)	(2)
Housing Other Income	(16)	(14)	(14)
Housing Premises	(1)	18	18
Asset Maintenance Operatives	(3)	13	19
Property Investment Strategy	(1,312)	(1,618)	(1,724)
Administrative Expenses - Property	0	0	0
Administrative Expenses - Strategic Property	30	3	5
Support - Central Offices	508	600	611
Support - Property Function	62	60	64
Tourism	45	35	38
Leader Programme	0	0	0
West Kent Business Rates Retention	0	0	0
West Kent Enterprise Advisor Network	0	0	0
West Kent Kick Start	(7)	0	0
West Kent Partnership	0	0	0
West Kent Partnership Business Support	0	0	0
Total Service Expenditure	354	208	104

Net Service Expenditure analysed by Service

	Actuals	Budget	Budget
	22/23	23/24	24/25
	£'000	£'000	£'000
Strategic Head Commercial and Property			
Pay Costs	962	1,094	1,239
Premises and Grounds	1,089	1,178	1,179
Transport	8	0	0
Supplies & Services	74	48	46
Supplies & Services IT	1	1	1
Agency & Contracted	485	87	58
Agency & Contracted - Direct Services	4	0	0
Support Services	41	41	41
Funds drawn to/from Reserves	29	90	84
Capital Charges	204	150	150
Income - Other	(1,538)	(1,884)	(1,917)
Income - Gov Gnts	(17)	0	(125)
Income - Fees and Charges	(703)	(347)	(401)
Recharges	(286)	(250)	(251)
Total Service Expenditure	353	208	104

Analysis of budget changes between 23/24 and 24/25

Base Budget 2023/24	208
Pay Award and other salary adjustments	130
Other Inflation	30
Net Savings agreed previous years	(117)
24/25 SCIA 14 - Strategic Property Charges	(20)
Utility Costs (Part)	90
Property Investment	(104)
Managers Savings	(42)
Other growth and savings	(71)
Proposed Budget 2024/25	104

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PAY COST ESTIMATES SUMMARY 2024/25

Appendix H

Serivces	Line No.	2023/24 BUDGET £	2024/25 BUDGET £	- 2023/24 FTE	- 2024/25 FTE
People & Places	1a	351,174	373,448	4.50	4.50
People & Places - Housing	1b	927,165	966,976	18.31	17.31
Strategic Properties	1c	914,459	1,054,527	15.00	16.43
Corporate Services	2a	3,189,822	3,045,838	66.37	57.05
Revenues & Benefits	2b	1,793,712	1,916,598	42.30	42.70
Assistant Chief Executive	3a	957,093	998,850	19.35	18.67
Finance & Audit	3b	1,318,160	1,409,229	19.00	19.00
Direct Services	3c	5,569,250	6,261,367	142.30	146.43
Planning	4a	2,122,183	2,527,883	40.76	47.92
Building Control	4b	399,280	426,563	7.00	7.29
Environmental Health	4c	677,039	733,393	11.99	11.99
Licensing	4d	591,410	637,589	12.20	12.20
		18,810,747	20,352,261	399.08	401.49
Other Salary Costs					
Vacancy Savings	5	(159,529)	(164,315)		
SUB-TOTAL		18,651,218	20,187,946	399.08	401.49
People & Places (Ext)	6	128,599	259,741	2.95	5.81
People & Places - Housing (Ext)	7	347,770	557,445	8.00	12.00
Strategic Property (Ext)	8	229,321	182,854	4.95	4.12
GRAND TOTAL		19,356,908	21,187,987	414.98	423.42
NOTES 1) Externally funded posts (lines 6 to 9 have been excluded from earlier lines. The income will show elsewhere in the 2024/25 budget.					

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Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Direct Services	Sandbags each	OS	£ 2.65	£ 3.00
Direct Services	Gate Fee for Access - Disposal for Liquid Waste per visit	OS	£ 6.00	£ 6.00
Direct Services	Collection of Dead Animals on Private Land per animal	OS	£ 35.00	£ 40.00
Parking		Within a car park subject to VAT	£ 10.00	£ 15.00
	Bay Suspensions - Per bay			
Parking	Bay Suspensions Admin Fee	ST	£ 30.00	£ 30.00
Parking	Parking Wavers (on street) - Per vehicle, per day	OS	£ 6.00	£ 10.00
Parking	Parking Wavers (off-street) - Per vehicle, per day	ST	£ 10.00	£ 10.00
Parking	Driveway Access Protection Lines Remarking	ST	£ 60.00	£ 90.00
Parking	Driveway Access Protection Lines	ST	£ 90.00	£ 180.00
Parking	Cones - Out of Hours Use/Less than 7 days notice/Lost Cones	ST	£ -	£ 36.00
Parking	Abandoned Vehicles		£ -	£ 200.00
Commercial Waste	240 LITRE BIN - General Waste	OS	£ 11.60	£ 11.60
Commercial Waste	240 LITRE BIN - Recycling	OS	£ 7.00	£ 7.00
Commercial Waste	360 LITRE BIN - General Waste	OS	£ 14.25	£ 14.25
Commercial Waste	360 LITRE BIN - Recycling	OS	£ 9.00	£ 9.00
Commercial Waste	660 LITRE BIN - General Waste	OS	£ 16.40	£ 16.40
Commercial Waste	660 LITRE BIN - Recycling	OS	£ 10.50	£ 10.50
Commercial Waste	1100 LITRE BIN - General Waste	OS	£ 20.15	£ 20.15
Commercial Waste	1100 LITRE BIN - Recycling	OS	£ 14.25	£ 14.25
Commercial Waste	Duty of Care Admin Charge	ST	£ 152.00	£ 152.00
Commercial Waste	Roll of blue commercial sacks	ST	£ 80.35	£ 80.35
Commercial Waste	Pack of 25 commercial paper sacks	ST	£ 38.00	£ 38.00
Commercial Waste	1100 LITRE - General Waste	OS	£ 50.00	£ 60.00
Commercial Waste	1100 LITRE - Recycling	OS	£ 40.00	£ 50.00
Commercial Waste	Delivery and collection charge	OS	£ 50.00	£ 60.00
Commercial Waste	Waste Transfer Note	ST	£ -	£ 30.00
Commercial Waste	Out of hours fee	OS	£ 100.00	£ 110.00
Garden Waste	240 LITRE - Annual Permit	OS	£ 50.00	£ 55.00
Garden Waste	140 LITRE - Annual Permit	OS	£ 35.00	£ 40.00
Garden Waste	Sack per pack	ST	£ 20.00	£ 25.00
Garden Waste	240 LITRE - Additional Bin Charge	ST	£ 32.00	£ 35.00
Bulky Waste	1 item	OS	£ 18.00	£ 25.00
Bulky Waste	2 items	OS	£ 30.00	£ 30.00
Bulky Waste	3 to 4 Items	OS	£ 40.00	£ 40.00
Bulky Waste	5 to 10 Items	OS	£ 52.00	£ 55.00
Bulky Waste	White goods	OS	£ 18.00	£ 25.00
Bulky Waste	Large freezer	OS	£ 42.00	£ 45.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Under 24 sq.m. Sole use outside of opening times.	E	£ -	£ 21.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - 24 to 70 sq.m. Sole use outside of opening times.	E	£ -	£ 32.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Over 70 sq.m. Sole use outside of opening times.	E	£ -	£ 48.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m. Sole use outside opening times.	E	£ -	£ 16.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - 24 to 70 sq.m. Sole use outside opening times.	E	£ -	£ 27.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - Over 70 sq.m. Sole use outside opening times.	E	£ -	£ 43.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - 24 to 70 sq.m. Sole use during opening times.	E	£ -	£ 32.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Under 24 sq.m. Sole use during opening times.	E	£ -	£ 48.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - 24 to 70 sq.m. Sole use during opening times.	E	£ -	£ 21.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m. Sole use during opening times.	E	£ -	£ 27.00
Premises Hire	Premises Hire - Other Organisations and community groups - part use e.g. hire of table space during opening times	E	£ -	£ 21.00
Premises Hire	Premises Hire - Community Groups - meeting room during opening times	E	£ -	£ 21.00
Premises Hire	Premises Hire- Exhibitions - Exhibition Space - Exhibition of works or crafts by individual artists and craftsmen	E	£ -	£ 21.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Insurance Policy	ST	£ -	£ 58.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Landlord's Offer Notice - Full	ST	£ -	£ 45.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Landlord's Offer Notice - Part	ST	£ -	£ 18.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Service Charge Certificate	ST	£ -	£ 38.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Document retrieval	ST	£ -	£ 12.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Fee for Application to buy garage	ST	£ -	£ 97.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Lease prints	OS	£ -	£ 72.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Leasehold Enquiries - Maintenance and rent details, insurance etc.	OS	£ -	£ 165.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Letter of Postponement concerning authorized words on properties with statutory discount charge	OS	£ -	£ 71.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Ownership Changes Leasholds Houses and Flats	OS	£ -	£ 48.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Photocopying A3	ST	£ -	£ 2.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Photocopying A4	ST	£ -	£ 1.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Post and Packing	E	£ -	£ 3.00

Agenda Item 9

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Stat charge discharge - discount 3 year period	OS	£ -	£ 73.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Transfer of Equity approval and seal	OS	£ -	£ 75.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Transfer prints	OS	£ -	£ 46.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Authorised Guarantee Agreement	OS	£ -	£ 511.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Lease Assignment	E	£ -	£ 690.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Lease Grant (Complex)	E	£ -	£1,276 upwards (no maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Lease Grant (Simple)	E	£ -	£ 787.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License (Simple)	E	£ -	£ 207.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License to Assign	E	£ -	£ 585.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License to Assign Plus Authorised Guarantee Agreement	E	£ -	£ 797.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License to Assign Plus Deed of Variation of Lease	E	£ -	£904 - £1,329
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Deed of Variation of (Shop) Lease	E	£ -	£691 - £1,010
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Copy of Lease	ST	£ -	£ 115.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Deed of Covenants	E	£ -	£ 480.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Landlord Licence	OS	£ -	£ 583.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 278 (Complex)	OS	£ -	£2,658 upwards (No set maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Deed of Variation (re. S106 or complex commercial leases or agreements)	OS	£ -	£1,063 upwards (No set maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Easements	OS	£ -	£ 1,063.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Rent Reviews	OS	£ -	£234 - £372
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 106 (complex financial obligations or in-kind works)	OS	£ -	£2,658 upwards (No set limit)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 106 (complex with Affordable Housing obligations)	OS	£ -	£3,721 upwards (No set limit)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 38 (Complex)	OS	£ -	£2,658 upwards (No set maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Surrenders	OS	£ -	£ 638.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Transfer of Open Space	OS	£ -	£ 850.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Verification of Proof of Life	OS	£ -	£ 53.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Waive Agreement	OS	£ -	£ 532.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Licence of Alteration	OS	£ -	£ 747.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Licences to assign Leasehold Premises	OS	£ -	£ 747.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Notice of Assignment	OS	£ -	£ 87.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Notice of Charge	OS	£ -	£ 87.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Retrospective Consent	OS	£ -	£ 128.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Right to Buy Engrossment	OS	£ -	£ 80.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Sale of Garden Land/ Additional Land	E	£ -	£ 747.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Sale of Land	E	£ -	If under £1,000 min charge £703 then incremental depending on value & complexity (no maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Shop Leases	OS	£ -	£ 765.00
Legal (Property Related) plus survey fees on POA basis	Register of Elections - Certificate of Residency, per elector, per year	E	£ -	£ 15.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £750,000 to £1,500,000	E	£ -	£ 372.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £1,500,000 to £2,500,000	E	£ -	£ 585.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £100,000 to £250,000	E	£ -	£ 159.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £2,500,000 to £5,000,000	E	£ -	£ 691.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £250,000 to £750,000	E	£ -	£ 266.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value exceeding £5,000,000	E	£ -	£ 904.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Variations/ Novations (where original contract value exceeds £250,000)	E	£ -	£ 159.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 106 (Standard)	OS	£ -	£ 1,860.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 38 (Standard)	OS	£ -	£ 2,658.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Footpath/ Bridleway Creation or Diversion Agreement	OS	£ -	£ 1,595.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Grazing Licence	OS	£ -	£ 469.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Reg of Assign	OS	£ -	£ 32.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 111 Agreement (in addition to S106 fee)	OS	£ -	£ 532.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 142 Licence	OS	£ -	£ 266.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 278 (Standard)	OS	£ -	£ 2,658.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 50 Agreement	OS	£ -	£ 691.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Stopping up/ Orders etc under Highways Act	OS	£ -	Estimate in circumstances of the case
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Street License	OS	£ -	£ 330.00
Film Office	Non-refundable application fee (to scout & Admin)	ST	£ -	£ 128.00

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Film Office	Location Fee full day (small crew - 1- 5 people)	ST	£ -	£532 - £744
Film Office	Location Fee half day (small crew - 1- 5 people)	ST	£ -	446.00
Film Office	Location Fee per hour (small crew - 1- 5 people)	ST	£ -	159.00
Film Office	Location Fee full day (medium crew - 6-15 people)	ST	£ -	£850 - £1,063
Film Office	Location Fee half day (medium crew - 6-15 people)	ST	£ -	574.00
Film Office	Location Fee per hour (medium crew - 6-15 people)	ST	£ -	191.00
Film Office	Location Fee full day (large crew - 16-50 people)	ST	£ -	£1,100 - £2,000
Film Office	Location Fee half day (large crew - 16-50 people)	ST	£ -	957.00
Film Office	Location Fee per hour (large crew - 16-50 people)	ST	£ -	255.00
Film Office	Location Fee full day (very large crew - 50+ people)	ST	£ -	POA
Film Office	Location Fee half day (very large crew - 50+ people)	ST	£ -	POA
Film Office	Location Fee per hour (very large crew - 50+ people)	ST	£ -	POA
Film Office	Supplementary charges: Traffic Management	ST	£ -	POA
Film Office	Supplementary charges: Parking	ST	£ -	POA
Film Office	Supplementary charges: Temporary structures	ST	£ -	POA
Film Office	Fee for Street Filming - one off (students or individuals taking stills/filming for personal use)	ST	£ -	£ 32.00
Film Office	Fee for Street Filming - one off (small crew - 1 - 5 people)	ST	£ -	£ 64.00
Film Office	Fee for Street Filming - one off medium crew - 6 - 15 people)	ST	£ -	£ 159.00
Film Office	Fee for Street Filming - one off large crew - 16 - 50 people)	ST	£ -	£ 223.00
Film Office	Fee for Street Filming - one off (very large crew 50+ people)	ST	£ -	POA
Film Office	Fee for Filming on Highways	ST	£ -	POA
Property	Commercial Matters - Administration fee for processing Commercial & Other Applications	ST	£ -	£ 96.00
Property	Commercial Matters - Assignment of Leases /underlettings(Council owned premises). Minimum fee of £500 plus VAT and hourly rate charge	ST	£ -	£ 638.00
Property	Commercial Matters - Dilapidation Surveys and Schedules of Repair/Condition (Council Owned Premises). Minimum fee £385 plus VAT and hourly rate charge in preparing survey and supervising works	ST	£ -	POA
Property	Commercial Matters - Licence to undertake alterations/building works. Minimum fee £500 plus VAT and hourly rate charge	ST	£ -	POA
Property	Commercial Matters - Licence to vary lease terms (Council owned premises). Minimum fee £375 plus VAT and hourly rate charge	ST	£ -	POA
Property	Commercial Matters - New Letting - Non Standard Commercial Shop Lease. Minimum fee £640 plus VAT and hourly rate charge	ST	£ -	POA
Property	Commercial Matters - New Letting - Standard Commercial Shop Lease. Minimum fee £385 plus VAT and hourly rate charge	ST	£ -	POA
Property	Commercial Matters - Consent for release of covenants (plus compensation calculation)	ST	£ -	£ 638.00
Property	Commercial Matters - Letters of consent	ST	£ -	£ 319.00
Property	Commercial Matters - Other Processes and Consents	ST	£ -	£ 491.00
Property	Non Commercial Matters - Area up to 25 Sqm - Land offering development potential either as a separate plot or if combined with other land	ST	£ -	Negotiable
Property	Non Commercial Matters - Area up to 25 Sqm - Sale of land at the end of the rear garden retained by the Council from a Right to Buy sale or amenity land adjoining a property sold under a Right to Buy	ST	£ -	Negotiable
Property	Non Commercial Matters - Other Processes and Consents	ST	£ -	£ 491.00
Property	Non Commercial Matters - Request for an easement/wayleave over Council Land Applicant would also need to pay for additional cost of works (e.g. drop kerb and crossover) and any additional legal costs affecting the title to the property	ST	£ -	£ 638.00
Advertising	Full page	ST	£ 1,440.00	£ 1,560.00
Advertising	Half page	ST	£ 696.00	£ 834.00
Advertising	Quarter page	ST	£ 390.00	£ 474.00
Printing	A3 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.10 - £0.54	£0.10 - £0.54
Printing	A3 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.12 - £0.56	£0.12 - £0.56
Printing	A3 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.13 - £0.57	£0.13 - £0.57
Printing	A3 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.14 - £0.58	£0.14 - £0.58
Printing	A4 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.05 - £0.27	£0.05 - £0.27
Printing	A4 Colour Paper -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.06 - £0.28	£0.06 - £0.28
Printing	A4 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.07 - £0.29	£0.07 - £0.29
Printing	A4 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.07 - £0.29	£0.07 - £0.29
Printing	A4 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.08 - £0.30	£0.08 - £0.30
Printing	A4 NCR -Dependant single sided or double sided	Dependant on type of print	£0.11 - £0.13	£0.11 - £0.13
Printing	A5 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.03 - £0.16	£0.03 - £0.17
Printing	A5 Colour Paper -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.04 - £0.16	£0.04 - £0.17
Printing	A5 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.04 - £0.17	£0.05 - £0.17
Printing	A5 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.05 - £0.17	£0.05 - £0.18
Printing	A5 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.05 - £0.18	£0.06 - £0.18
Printing	A5 NCR -Dependant single sided or double sided	Dependant on type of print	£0.08 - £0.10	£0.08 - £0.10
Printing	A6 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.02 - £0.12	£0.03 - £0.13
Printing	A6 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.03 - £0.13	£0.03 - £0.13
Printing	A6 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.03 - £0.13	£0.04 - £0.14

Agenda Item 9

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Printing	A6 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.04 - £0.14	£0.04 - £0.14
Printing	A6 NCR -Dependant single sided or double sided	Dependant on type of print	£0.06 - £0.07	£0.06 - £0.07
Printing	Outdoor vinyl banners (inc. seam and eyelets) per m2	ST	£ 25.00	£ 25.00
Printing	Pull-up banners	ST	£ 80.00	£ 80.00
Printing	Vinyl mounted signs (on heavy duty foam board) Variable per m2	ST	£ 30.00	£ 30.00
Printing	Vinyl mounts hi-res and photos on to foam board for display or presentation purposes (size A0 - A6). Additional protective laminate for outdoor signs 25% of final price	ST	£4.00 - 32.00	£4.00 - £32.50
Printing	Large format posters - high quality gloss paper (for exterior display)(size A0 to A2)	ST	£7.00 - £28.00	£7.00 - £28.00
Printing	Large format posters - standard matt paper (for interior display)(size A0 to A2)	ST	£3.75 - £15.00	£3.75 - £15.00
Printing	Design/Artworking per hour	ST	£ 45.00	£ 50.00
Printing	Scanning and PDF conversions	ST	£ 7.50	£ 7.50
Printing	Pre-print alterations to supplied artwork per hour	ST	£ 25.00	£ 25.00
Printing	Video editing (for other video services please ask)	ST	£ 30.00	£ 30.00
Printing	A3 Digital colour printing - Standard Bond	ST	£0.38 - £0.56	£0.39 - £0.55
Printing	A3 Digital colour printing - Gloss/High Grade Silk	ST	£0.40 - £0.60	£0.42 - £0.58
Printing	A3 Digital colour printing - Card/Colour Paper	ST	£0.42 - £0.62	£0.43 - £0.59
Printing	A4 Digital colour printing - Standard Bond	ST	£0.19 - £0.28	£0.20 - £0.28
Printing	A4 Digital colour printing - Gloss/High Grade Silk	ST	£0.20 - £0.30	£0.22 - £0.30
Printing	A4 Digital colour printing - Card/Colour Paper	ST	£0.21 - £0.32	£0.22 - £0.30
Printing	A5 Digital colour printing - Standard Bond	ST	£0.11 - £0.17	£0.12 - £0.17
Printing	A5 Digital colour printing - Gloss/High Grade Silk	ST	£0.12 - £0.19	£0.14 - £0.18
Printing	A5 Digital colour printing - Card/Colour Paper	ST	£0.13 - £0.20	£0.14 - £0.18
Printing	A6 Digital colour printing - Standard Bond	ST	£0.08 - £0.12	£0.09 - £0.13
Printing	A6 Digital colour printing - Gloss/High Grade Silk	ST	£0.09 - £0.13	£0.10 - £0.14
Printing	A6 Digital colour printing - Card/Colour Paper	ST	£0.10 - £0.15	£0.10 - £0.14
Printing	Business Cards X 250	ST	£25.00 - 37.50	£25.00 - £37.50
Printing	Letterheaded Paper X 500	ST	£ 50.00	£ 50.00
Printing	Compliment Slips X 500	ST	£ 15.00	£ 15.00
Printing	A3 Digital mono printing - Standard Bond	ST	£0.07 - £0.10	£0.11 - £0.15
Printing	A3 Digital mono printing - Gloss/High Grade Silk	ST	£0.11 - £0.17	£0.14 - £0.18
Printing	A3 Digital mono printing - Card/Colour Paper	ST	£0.13 - £0.20	£0.15 - £0.19
Printing	A4 Digital mono printing - Pre-printed headed	ST	£0.03 - £0.05	£0.04 - £0.06
Printing	A4 Digital mono printing - Standard Bond	ST	£0.05 - £0.07	£0.06 - £0.08
Printing	A4 Digital mono printing - Gloss/High Grade Silk	ST	£0.05 - £0.08	£0.08 - £0.10
Printing	A4 Digital mono printing - Card/Colour Paper	ST	£0.07 - £0.10	£0.08 - £0.10
Printing	A4 Digital mono printing - NCR	ST	£ 0.10	£0.12 - £0.14
Printing	A5 Digital mono printing - Standard Bond	ST	£0.03 - £0.05	£0.04 - £0.05
Printing	A5 Digital mono printing - Gloss/High Grade Silk	ST	£0.04 - £0.06	£0.05 - £0.07
Printing	A5 Digital mono printing - Card/Colour Paper	ST	£0.06 - £0.07	£0.06 - £0.07
Printing	A5 Digital mono printing - NCR	ST	£ 0.07	£0.08 - £0.10
Printing	A6 Digital mono printing - Standard Bond	ST	£0.02 - £0.03	£0.03 - £0.04
Printing	A6 Digital mono printing - Gloss/High Grade Silk	ST	£0.03 - £0.04	£0.04 - £0.05
Printing	A6 Digital mono printing - Card/Colour Paper	ST	£0.03 - £0.05	£0.04 - £0.05
Printing	DL/C5 Envelopes	ST	£0.07 - £0.10	£0.10 - £0.15
Printing	Canvas Frames - 12" x 8"	ST	£ 10.00	£ 10.00
Printing	Canvas Frames - 12" x 12"	ST	£ 14.00	£ 14.00
Printing	Canvas Frames - 12" x 16"	ST	£ 16.00	£ 16.00
Printing	Canvas Frames - 16" x 20"	ST	£ 20.00	£ 20.00
Printing	Canvas Frames - 20" x 30"	ST	£ 30.00	£ 30.00
Printing	Vinyl Stickers - A7	ST	£ 0.25	£ 0.25
Printing	Vinyl Stickers - A6	ST	£ 0.50	£ 0.50
Printing	Vinyl Stickers - A5	ST	£ 1.00	£ 1.00
Printing	Vinyl Stickers - A4	ST	£ 1.75	£ 1.75
Printing	Vinyl Stickers - A3	ST	£ 3.50	£ 3.50
Printing	Vinyl Stickers - A2	ST	£ 6.50	£ 6.50
Printing	Vinyl Stickers - A1	ST	£ 12.50	£ 12.50
Printing	Vinyl Stickers - A0	ST	£ 25.00	£ 25.00
Printing	Finishing - Folding per hour	ST	£ 25.00	£ 25.00
Printing	Finishing - Perforating per hour	ST	£ 25.00	£ 25.00
Printing	Finishing - Creasing (greetings cards etc) per hour	ST	£ 25.00	£ 25.00
Printing	Finishing - Hole drilling (large documents) per hole	ST	£ 0.50	£ 0.50
Printing	Finishing - Treasury tagging per document	ST	£ 0.10	£ 0.10
Printing	Finishing - Laminating per A4 sheet	ST	£ 0.35	£ 0.35
Printing	Finishing - Binding (wire or comb) per document	ST	£ 0.60	£ 0.60
Printing	Finishing - Hand stapling (large documents) per document	ST	£ 0.40	£ 0.40
Swanley Meeting Point	Office Pod (2 person)	ST	£ 600.00	£ 600.00
Swanley Meeting Point	Office Pod (1 person)	ST	£ 420.00	£ 420.00
Swanley Meeting Point	Hot desk half day	ST	£ 12.00	£ 12.00
Swanley Meeting Point	Hot desk full day	ST	£ 24.00	£ 24.00
Swanley Meeting Point	Bronze package (5 days over 4 weeks)	ST	£ 108.00	£ 108.00
Swanley Meeting Point	Silver Package (10 days over 5 weeks)	ST	£ 204.00	£ 204.00
Swanley Meeting Point	Gold Package (20 days over 6 weeks)	ST	£ 360.00	£ 360.00
Swanley Meeting Point	Designated desk 5 day	ST	£ 96.00	£ 96.00
Swanley Meeting Point	Designated desk 10 day	ST	£ 192.00	£ 192.00
Swanley Meeting Point	Designated desk one month	ST	£ 300.00	£ 300.00
Swanley Meeting Point	Meeting Room 1 hour	ST	£ 24.00	£ 24.00
Swanley Meeting Point	Meeting Room half day	ST	£ 60.00	£ 60.00
Swanley Meeting Point	Meeting Room full day	ST	£ 120.00	£ 120.00
Swanley Meeting Point	Event Space	ST	POA	POA
Swanley Meeting Point	Virtual Office (TBC)	ST	POA	POA
Local Land charges	CON29 (Residential / Commercial)	ST	£ 150.00	£ 154.00
Local Land charges	Additional property or land	ST	£ 20.00	£ 21.00
Local Land charges	CON290 printed enquiry (each)	ST	£ 23.00	£ 24.00
Local Land charges	Building control enquiries	ST	£ 14.40	£ 15.00
Local Land charges	CIL enquiry	ST	£ 7.00	£ 7.00
Local Land charges	Public Rights of Way	ST	£ 7.20	£ 7.20
Local Land charges	Planning History	ST	£ 30.00	£ 30.00
Local Land charges	Outstanding Notices (Each)	ST	£ 3.30	£ 3.30
Local Land charges	Copy of Search	ST	£ 10.00	£ 10.00
Street Naming and numbering *		1 OS	-	£ 103.00
Street Naming and numbering *		2 OS	-	£ 144.00
Street Naming and numbering *		3 OS	-	£ 216.00
Street Naming and numbering *		4 OS	-	£ 288.00
Street Naming and numbering *		5 OS	-	£ 337.00
Street Naming and numbering *		6 OS	-	£ 382.00
Street Naming and numbering *		7 OS	-	£ 437.00
Street Naming and numbering *		8 OS	-	£ 492.00
Street Naming and numbering *		9 OS	-	£ 547.00

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Street Naming and numbering *		10 OS	-	£ 602.00
Street Naming and numbering *		11 OS	-	£ 650.00
Street Naming and numbering *		12 OS	-	£ 689.00
Street Naming and numbering *		13 OS	-	£ 729.00
Street Naming and numbering *		14 OS	-	£ 769.00
Street Naming and numbering *		15 OS	-	£ 808.00
Street Naming and numbering *		16 OS	-	£ 848.00
Street Naming and numbering *		17 OS	-	£ 887.00
Street Naming and numbering *		18 OS	-	£ 927.00
Street Naming and numbering *		19 OS	-	£ 967.00
Street Naming and numbering *		20 OS	-	£ 1,006.00
Street Naming and numbering *		21 OS	-	£ 1,029.00
Street Naming and numbering *		22 OS	-	£ 1,078.00
Street Naming and numbering *		23 OS	-	£ 1,127.00
Street Naming and numbering *		24 OS	-	£ 1,176.00
Street Naming and numbering *		25 OS	-	£ 1,225.00
Street Naming and numbering *		26 OS	-	£ 1,248.00
Street Naming and numbering *		27 OS	-	£ 1,255.50
Street Naming and numbering *		28 OS	-	£ 1,302.00
Street Naming and numbering *		29 OS	-	£ 1,348.50
Street Naming and numbering *		30 OS	-	£ 1,350.00
Street Naming and numbering *		31 OS	-	£ 1,395.00
Street Naming and numbering *		32 OS	-	£ 1,440.00
Street Naming and numbering *		33 OS	-	£ 1,485.00
Street Naming and numbering *		34 OS	-	£ 1,530.00
Street Naming and numbering *		35 OS	-	£ 1,575.00
Street Naming and numbering *		36 OS	-	£ 1,620.00
Street Naming and numbering *		37 OS	-	£ 1,665.00
Street Naming and numbering *		38 OS	-	£ 1,710.00
Street Naming and numbering *		39 OS	-	£ 1,755.00
Street Naming and numbering *		40 OS	-	£ 1,760.00
Street Naming and numbering *		41 OS	-	£ 1,804.00
Street Naming and numbering *		42 OS	-	£ 1,848.00
Street Naming and numbering *		43 OS	-	£ 1,892.00
Street Naming and numbering *		44 OS	-	£ 1,936.00
Street Naming and numbering *		45 OS	-	£ 1,980.00
Street Naming and numbering *		46 OS	-	£ 2,024.00
Street Naming and numbering *		47 OS	-	£ 2,068.00
Street Naming and numbering *		48 OS	-	£ 2,112.00
Street Naming and numbering *		49 OS	-	£ 2,156.00
Street Naming and numbering *		50 OS	-	£ 2,175.00
Street Naming and numbering *		51 OS	-	£ 2,218.50
Street Naming and numbering *		52 OS	-	£ 2,262.00
Street Naming and numbering *		53 OS	-	£ 2,305.50
Street Naming and numbering *		54 OS	-	£ 2,349.00
Street Naming and numbering *		55 OS	-	£ 2,392.50
Street Naming and numbering *		56 OS	-	£ 2,436.00
Street Naming and numbering *		57 OS	-	£ 2,479.50
Street Naming and numbering *		58 OS	-	£ 2,523.00
Street Naming and numbering *		59 OS	-	£ 2,566.50
Street Naming and numbering *		60 OS	-	£ 2,580.00
Street Naming and numbering *		61 OS	-	£ 2,623.00
Street Naming and numbering *		62 OS	-	£ 2,666.00
Street Naming and numbering *		63 OS	-	£ 2,709.00
Street Naming and numbering *		64 OS	-	£ 2,752.00
Street Naming and numbering *		65 OS	-	£ 2,795.00
Street Naming and numbering *		66 OS	-	£ 2,838.00
Street Naming and numbering *		67 OS	-	£ 2,881.00
Street Naming and numbering *		68 OS	-	£ 2,924.00
Street Naming and numbering *		69 OS	-	£ 2,967.00
Street Naming and numbering *		70 OS	-	£ 2,975.00
Street Naming and numbering *		71 OS	-	£ 3,017.50
Street Naming and numbering *		72 OS	-	£ 3,060.00
Street Naming and numbering *		73 OS	-	£ 3,102.50
Street Naming and numbering *		74 OS	-	£ 3,145.00
Street Naming and numbering *		75 OS	-	£ 3,187.50
Street Naming and numbering *		76 OS	-	£ 3,230.00
Street Naming and numbering *		77 OS	-	£ 3,272.50
Street Naming and numbering *		78 OS	-	£ 3,315.00
Street Naming and numbering *		79 OS	-	£ 3,357.50
Street Naming and numbering *	80 + units	OS	-	POA
Street Naming and numbering *	Annexe	OS	-	£ 65.00
Street Naming and numbering *	Rename existing street	OS	-	£ 1,654.00
Street Naming and numbering *	Change an existing address	OS	-	£ 65.00
Street Naming and numbering *	Copy of schedule or postal plan	OS	-	£ 10.00
Street Naming and numbering *	Confirmation of address	OS	-	£ 42.00
Street Naming and numbering *	Renumbering development or amending issued schedule (PAU - Per Affected Unit)	OS	-	£ 42 (PAU)
New application	Band A (single pitch)	OS	£ -	£ -
New application	Band B (2-10 pitches)	OS	£ 542.00	£ 720.00
New application	Band C (11-25 pitches)	OS	£ 584.00	£ 770.00
New application	Band D (26-50 pitches)	OS	£ 653.00	£ 852.00
New application	Band E (51-100 pitches)	OS	£ 792.00	£ 1,017.00
New application	Band F (101-200 pitches)	OS	£ 1,071.00	£ 1,348.00
New application	Band G (201-400 pitches)	OS	£ 2,086.00	£ 2,554.00
New application	Band H (401-800 pitches)	OS	£ 3,199.00	£ 3,876.00
Annual fee	Dependant on site	OS	£137 - £1,155	£159 - £1,343
Transfer	Band A	OS	£ 84.00	£ 99.00
Transfer	Band B-H	OS	£ 84.00	£ 99.00
Amendment	Band A	OS	£ 167.00	£ 198.00
Amendment	Band B-H	OS	£ 167.00	£ 198.00
Site rules	Band A	OS	£ 55.00	£ 66.00
Site rules	Band B-H	OS	£ 55.00	£ 66.00
Fit and Proper Person Application *		OS	£ -	£ 107.48
Travellers site	Rent, Per Week, per pitch	E	£ 89.18	£ 93.64
Nightly rental charge for emergency accommodation:	Single rate charged on household size			
	Shared room rate (LHA High Weald) - per week *	OS	£ -	£ 80.77
	1 bedroom rate (LHA High Weald) - per week	OS	£ 123.58	£ 137.31
	2 bedroom rate (LHA High Weald) - per week	OS	£ 160.97	£ 178.85
	3 bedroom rate (LHA High Weald) - per week	OS	£ 207.69	£ 230.33
	4 bedroom rate (LHA High Weald) - per week *	OS	£ -	£ 366.73
	5 bedroom rate (LHA High Weald) - per week *	OS	£ -	£ 542.31
HMO Licence	Application - up to 5 units	OS	£ 654.00	£ 972.00
HMO Licence Additional Units over 5	Additional unit	OS	£ 23.00	£ 23.00
HMO Licence Application Renewal		OS	£ 412.00	£ 972.00
Immigration Inspection	Set Fee	OS	£ 192.00	£ 192.00

Agenda Item 9

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Licensing	Sevenoaks (Annual Fee Invoicing) Request to amend or reissue invoice	OS	£ 10.00	£ 11.00
Licensing	Sevenoaks (Gambling) Request to amend Small Lottery Registration	OS	£ 10.00	£ 11.00
Licensing	S01 Bingo Club Premises - new application	OS	£ 2,480.00	£ 2,654.00
Licensing	S03 Bingo Club Premises - application for provisional statement	OS	£ 2,480.00	£ 2,654.00
Licensing	S06 Bingo Club Premises - application to vary	OS	£ 1,750.00	£ 1,750.00
Licensing	S05 Bingo Club Premises - application to transfer	OS	£ 1,200.00	£ 1,200.00
Licensing	S04 Bingo Club Premises - application for re-instatement	OS	£ 430.00	£ 484.00
Licensing	S02 Bingo Club Premises - annual fee	OS	£ 870.00	£ 931.00
Licensing	S07 Bingo Club Premises - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Bingo Club Premises - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Adult Gaming Centres - new application	OS	£ 1,944.00	£ 2,000.00
Licensing	S08 Adult Gaming Centres - licence application (provisional statement holders)	OS	£ 1,938.00	£ 2,000.00
Licensing	S06 Adult Gaming Centres - application to vary	OS	£ 1,000.00	£ 1,000.00
Licensing	S05 Adult Gaming Centres - application to transfer	OS	£ 1,200.00	£ 1,200.00
Licensing	S04 Adult Gaming Centres - application for re-instatement	OS	£ 435.00	£ 466.00
Licensing	S02 Adult Gaming Centres - annual fee	OS	£ 750.00	£ 750.00
Licensing	S07 Adult Gaming Centres - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Adult Gaming Centres - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Family Entertainment Centres - new application	OS	£ 1,944.00	£ 2,000.00
Licensing	S03 Family Entertainment Centres - application for provisional statement	OS	£ 1,938.00	£ 2,000.00
Licensing	S06 Family Entertainment Centres - application to vary	OS	£ 1,000.00	£ 1,000.00
Licensing	S05 Family Entertainment Centres - application to transfer	OS	£ 950.00	£ 950.00
Licensing	S04 Family Entertainment Centres - application for re-instatement	OS	£ 429.00	£ 459.00
Licensing	S02 Family Entertainment Centres - annual fee	OS	£ 715.00	£ 750.00
Licensing	S07 Family Entertainment Centres - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Family Entertainment Centres - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Betting Premises (excluding tracks) new	OS	£ 3,000.00	£ 3,000.00
Licensing	S03 Betting Premises (excluding tracks) - application for provisional statement	OS	£ 1,944.00	£ 2,080.00
Licensing	S06 Betting Premises (excluding tracks) - application to vary	OS	£ 1,500.00	£ 1,500.00
Licensing	S05 Betting Premises (excluding tracks) - application to transfer	OS	£ 1,200.00	£ 1,200.00
Licensing	S04 Betting Premises (excluding tracks) - application for re-instatement	OS	£ 429.00	£ 459.00
Licensing	S02 Betting Premises - Annual Fee (Invoiced)	OS	£ 600.00	£ 600.00
Licensing	S07 Betting Premises (excluding tracks) - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Betting Premises (excluding tracks) - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Tracks - new application	OS	£ 1,944.00	£ 2,080.00
Licensing	S03 Tracks - application for provisional statement	OS	£ 1,894.00	£ 2,027.00
Licensing	S06 Tracks - application to vary	OS	£ 1,250.00	£ 1,250.00
Licensing	S05 Tracks - application to transfer	OS	£ 950.00	£ 950.00
Licensing	S04 Tracks - application for re-instatement	OS	£ 429.00	£ 459.00
Licensing	S02 Tracks - annual fee	OS	£ 870.00	£ 931.00
Licensing	S07 Tracks - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Tracks - notification of change	OS	£ 32.00	£ 35.00
Licensing	S03 Temporary Use Notice	OS	£ 251.00	£ 269.00
Licensing	S05 Temporary Use Notice - Notification of Change	OS	£ 32.00	£ 35.00
Licensing	S04 Temporary Use Notice - Copy of Temporary Use Notice	OS	£ 13.00	£ 14.00
Licensing	S09 Scrap Metal Salvage Dealer - Site Licence - grant	OS	£ 532.00	£ 570.00
Licensing	S10 Scrap Metal Salvage Dealer - Site Licence - Renewal	OS	£ 449.00	£ 481.00
Licensing	S11 Scrap Metal Salvage Dealer - Collector's licence - grant or renewal	OS	£ 324.00	£ 347.00
Licensing	SE Scrap Metal Salvage Dealer - Variation - change of site manager	OS	£ 193.00	£ 207.00
Licensing	SE Scrap Metal Salvage Dealer - Variation from collector to site licence	OS	£ 230.00	£ 246.00
Licensing	SE Scrap Metal Salvage Dealer - Variation from site to collector licence	OS	£ 149.00	£ 160.00
Licensing	SE Scrap Metal Salvage Dealer - minor administrative change to licence	OS	£ 36.00	£ 39.00
Licensing	S01 Hackney Carriage Drivers Licence - New Application 3 year	OS	£ 264.00	£ 264.00
Licensing	S02 Hackney Carriage Drivers Licence - Renewal 3 year	OS	£ 183.00	£ 183.00
Licensing	S06 Private Hire Drivers Licence - New Application 3 year	OS	£ 264.00	£ 264.00
Licensing	S07 Private Hire Drivers Licence - Renewal 3 year	OS	£ 183.00	£ 183.00
Licensing	S13 Dual Badge - New Application 3 year	OS	£ 264.00	£ 264.00
Licensing	S14 Dual Badge - Renewals 3 year	OS	£ 183.00	£ 183.00
Licensing	DUAL BADGE new - ONE YEAR	OS	N/A	£ 222.00
Licensing	hackney carriage driver - new 1 year	OS	N/A	£ 222.00
Licensing	hackney carriage driver - renewal 1 year	OS	N/A	£ 128.00
Licensing	private hire driver - new 1 year	OS	N/A	£ 222.00
Licensing	private hire driver - renewal 1 year	OS	N/A	£ 128.00
Licensing	S22 Taxi Additional Costs - Replacement Driver Badge	OS	£ 24.00	£ 13.00
Licensing	Change of Driver Licence Type	OS	£ 54.00	£ 26.00
Licensing	S28 Taxi Additional Costs - Change of name and address-Sevenoaks	OS	£ 18.00	£ 24.00
Licensing	S17 Private Hire Operators Licence - On initial application (1 year)	OS	£ 324.00	£ 324.00
Licensing	S18 Private Hire Operators Licence - Renewal (1 year licence)	OS	£ 164.00	£ 164.00
Licensing	S15 Private Hire Operators Licence - On initial application (3 year)	OS	£ 534.00	£ 534.00
Licensing	S16 Private Hire Operators Licence - Renewal (3 year licence)	OS	£ 374.00	£ 374.00
Licensing	S13 Private Hire Operators Licence - On initial application (5 year)	OS	£ 747.00	£ 747.00
Licensing	S14 Private Hire Operators Licence - Renewal (5 year licence)	OS	£ 586.00	£ 586.00
Licensing	S04 Hackney Carriage Vehicle Licence - New Application	OS	£ 325.00	£ 325.00

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Licensing	S05 Hackney Carriage Vehicle Licence - Renewal	OS	£ 325.00	£ 325.00
Licensing	S19 Taxi Additional Costs - Change of Ownership of Licensed Vehicle	OS	£ 27.00	£ 26.00
Licensing	Sevenoaks - Add or Remove name from Vehicle Licence	OS	£ 18.00	£ 26.00
Licensing	S20 Taxi Additional Costs - Copies of existing licences	OS	£ 10.00	£ 13.00
Licensing	S09 Private Hire Vehicle Licence - New Application	OS	£ 297.00	£ 297.00
Licensing	S10 Private Hire Vehicle Licence - Renewal	OS	£ 297.00	£ 297.00
Licensing	Private Hire Exemption	OS	£ 42.00	£ 56.00
Licensing	Sevenoaks - Add or Remove name from Vehicle Licence	OS	£ 18.00	£ 26.00
Licensing	Temporary replacement vehicle- Sevenoaks	OS	£ 33.00	£ 100.00
Licensing	Taxi Knowledge Test Sevenoaks	OS	£ 51.50	£ 51.50
Licensing	Equo Online test	OS	£ 66.00	£ 66.00
Licensing	S23 Taxi Additional Costs - Replace Vehicle Plate	OS	£ 18.00	£ 19.00
Licensing	Sevenoaks - DBS administration fee	OS	£ 30.00	£ 30.00
Licensing	Sexual Entertainment (New Application)- Sevenoaks	OS	£ 3,641.00	£ 3,896.00
Licensing	S02 Sex Shops (Annual renewal)	OS	£ 3,641.00	£ 3,896.00
Licensing	Sexual Entertainment (Transfer)- Sevenoaks	OS	£ 1,825.00	£ 1,953.00
Licensing	Sevenoaks (Licensing & Gambling) One hour Pre-App advice	ST	£ 75.00	£ 80.00
Licensing	Sevenoaks (Licensing & Gambling) pre-app site visit	ST	£ 100.00	£ 107.00
Licensing	Sevenoaks (Licensing: Minor Variation) 30mins Pre-App Advice	ST	£ 35.00	£ 38.00
Licensing	Sevenoaks (Licensing: Hub Check & Send) Pre-App Support	ST	£ 40.00	£ 43.00
Licensing	Sevenoaks (Licensing: Hub Check & Send) Temporary Event Notice Only	ST	£ 15.00	£ 16.00
Licensing	Sevenoaks (Licensing Hub admin charges) Amend/re-issue invoice for statutory annual fee	ST	£ 10.00	£ 11.00
Licensing	Sevenoaks (Licensing Hub admin charges) amend contact details for lottery registration	ST	£ 10.00	£ 11.00
Licensing	Sevenoaks Pavement Licence new	OS	£ 100.00	unknown at present
Licensing	Sevenoaks Pavement Licence renewal	OS	£ 100.00	unknown at present
Planning*	CIL Rates - Residential Area A - Rates after indexation has been applied, applicable to Planning applications granted.	OS	185.67 per m2	185.67 per m2
Planning *	CIL Rates - Residential Area B - Rates after indexation has been applied, applicable to Planning applications granted.	OS	111.40 m2	111.40 m2
Planning *	CIL Rates - Supermarkets and Superstores - Rates after indexation has been applied, applicable to Planning applications granted.	OS	185.67 per m2	185.67 per m2
Planning *	CIL Rates - Retail warehousing - Rates after indexation has been applied, applicable to Planning applications granted.	OS	185.67 per m2	185.67 per m2
Planning *	CIL Rates - Other Developments - Rates after indexation has been applied, applicable to Planning applications granted.	OS	0 m2	0 m2
Planning	Pre Application Fees Large Majors = 50 plus dwellings/1ha Meeting	ST	£550.00 per hour (minimum four hours £2,200)	£825.00 per hour (minimum four hours £3,300)
Planning	Pre Application Fees Majors 10-49 dwellings - 0.5-1ha Meeting	ST	£480.00 per hour (minimum three hours £1,440)	£739.50 per hour (minimum three hours £2,218.50)
Planning	Pre Application Fees Minors 1-9 dwellings Meeting	ST	£450.00 one hour	£675.00 one hour
Planning	Pre Application Fees Minors 1-9 dwellings Letter	ST	£ 360.00	£ 540.00
Planning	Pre Application Fees Others Letter	ST	£ 180.00	£ 270.00
Planning	Pre Application Fees Household Meeting	ST	£120 (thirty minutes)	£180 (thirty minutes)
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan fee- 1 unit	ST	£ 312.00	£ 336.00
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Inspection Fee - 1 Unit	ST	£ 630.00	£ 678.00
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge- 1 Unit	ST	£ 954.00	£ 1,026.00
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m ² floor area - Regularisation Charge 1 Unit (VAT is not payable on Regularisation applications)	OS	£ 1,192.50	£ 1,282.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan fee- 2 units	ST	£ 390.00	£ 420.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Inspection fee- 2 units	ST	£ 1,038.00	£ 1,116.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge- 2 units	ST	£ 1,428.00	£ 1,536.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 2 Units (VAT is not payable on Regularisation applications)	OS	£ 1,785.00	£ 1,919.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan Fee 3 units	ST	£ 468.00	£ 504.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Inspection 3 units	ST	£ 1,362.00	£ 1,464.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge- 3 units	ST	£ 1,830.00	£ 1,968.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 3 units(VAT is not payable on Regularisation applications)	OS	£ 2,287.50	£ 2,459.00
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan Fee 4 units	ST	£ 546.00	£ 586.50
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Inspection 4 units	ST	£ 1,680.00	£ 1,806.00
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge- 4 units	ST	£ 2,226.00	£ 2,392.50

Agenda Item 9

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 4 units (VAT is not payable on Regularisation applications)	OS	£ 2,782.50	£ 2,991.00
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan Fee 5 units	ST	£ 624.00	£ 670.50
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Inspection Fee 5 units	ST	£ 1,842.00	£ 1,981.50
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge 5 units	ST	£ 2,466.00	£ 2,650.50
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 5 units (VAT is not payable on Regularisation applications)	OS	£ 3,082.50	£ 3,314.00
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 168.00	£ 180.00
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 456.00	£ 490.50
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Building Notice Charge	ST	£ 624.00	£ 670.50
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 780.00	£ 839.00
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 456.00	£ 490.50
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 768.00	£ 826.50
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 960.00	£ 1,032.00
Building Control	F03 New build and conversions: 3 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 390.00	£ 420.00
Building Control	F03 New build and conversions: 3 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 642.00	£ 691.50
Building Control	F03 New build and conversions: 3 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 1,032.00	£ 1,110.00
Building Control	F03 New build and conversions: 3 Flats - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,290.00	£ 1,387.00
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 468.00	£ 504.00
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 498.00	£ 535.50
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 1,266.00	£ 1,360.50
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Regularisation Charge	OS	£ 1,582.50	£ 1,701.00
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 546.00	£ 586.50
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 1,089.00	£ 1,171.50
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 1,635.00	£ 1,758.00
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 2,043.75	£ 2,197.00
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a floor area less than 10m ² Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a floor area less than 10m ² Full Plans Application Inspection Fee	ST	£ 390.00	£ 420.00
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a floor area less than 10m ² Building Notice Charge	ST	£ 546.00	£ 586.50
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level - Single storey extension with a floor area less than 10m ² Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 682.50	£ 734.00
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Full Plans Application Plan Fee	ST	£ 234.00	£ 252.00
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Full Plans Application Inspection Fee	ST	£ 546.00	£ 586.50
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Building Notice Charge	ST	£ 780.00	£ 838.50
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 975.00	£ 1,049.00

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Full Plans Application Inspection Fee	ST	£ 624.00	£ 670.50
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Building Notice Charge	ST	£ 936.00	£ 1,006.50
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,170.00	£ 1,258.00
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Full Plans Application Inspection Fee	ST	£ 624.00	£ 670.50
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Building Notice Charge	ST	£ 936.00	£ 1,006.50
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,170.00	£ 1,258.00
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Full Plans Application Inspection Fee	ST	£ 702.00	£ 754.50
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Building Notice Charge	ST	£ 1,014.00	£ 1,090.50
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,267.00	£ 1,363.00
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Full Plans Application Plan Fee	ST	£ 390.00	£ 420.00
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Full Plans Application Inspection Fee	ST	£ 864.00	£ 928.50
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Building Notice Charge	ST	£ 1,254.00	£ 1,348.50
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,567.50	£ 1,686.00
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Full Plans Application Inspection Fee	ST	£ 390.00	£ 420.00
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Building Notice Charge	ST	£ 546.00	£ 586.50
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 682.50	£ 734.00
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Full Plans Application Inspection Fee	ST	£ 390.00	£ 420.00
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Building Notice Charge	ST	£ 546.00	£ 586.50
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 682.50	£ 734.00
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Full Plans Application Plan Fee	ST	£ 270.00	£ 291.00
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Full Plans Application Inspection Fee	ST	£ 540.00	£ 580.50
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Building Notice Charge	ST	£ 810.00	£ 870.00
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,012.50	£ 1,089.00
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00

Agenda Item 9

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Full Plans Application Inspection Fee	ST	£ 624.00	£ 670.50
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Building Notice Charge	ST	£ 936.00	£ 1,006.50
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,170.00	£ 1,258.00
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Full Plans Application Plan Fee	ST	£ 321.00	£ 346.00
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Full Plans Application Inspection Fee	ST	£ 702.00	£ 754.50
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Building Notice Charge	ST	£ 1,014.00	£ 1,090.50
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,267.00	£ 1,362.00
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Full Plans Application Inspection Fee	ST	£ 288.00	£ 310.50
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Building Notice Charge	ST	£ 444.00	£ 478.50
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 555.00	£ 597.00
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Full Plans Application Plan Fee	ST	£ 234.00	£ 252.00
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Full Plans Application Inspection Fee		£ -	£ -
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level- Building Notice Charge	ST	£ 234.00	£ 252.00
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 292.50	£ 315.00
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level- Full Plans Application Plan Fee	ST	£ 234.00	£ 252.00
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level - Full Plans Application Inspection Fee		£ -	£ -
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level- Building Notice Charge	ST	£ 234.00	£ 252.00
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level- Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 292.50	£ 315.00
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Full Plans Application Plan Fee	ST	£ 330.00	£ 355.50
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Full Plans Application Inspection Fee		£ -	£ -
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Building Notice Charge	ST	£ 330.00	£ 355.50
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 412.50	£ 444.00
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Full Plans Application Plan Fee	ST	£ 195.00	£ 210.00
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Full Plans Application Inspection Fee	ST	£ 330.00	£ 355.50
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Building Notice Charge	ST	£ 525.00	£ 565.50

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 656.25	£ 705.00
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £15,001 & £25,000 - Full Plans Application Plan Fee	ST	£ 222.00	£ 238.50
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £15,001 & £25,000 - Full Plans Application Inspection Fee	ST	£ 438.00	£ 471.00
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £15,001 & £25,000 - Building Notice Charge	ST	£ 660.00	£ 709.50
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £15,001 & £25,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 825.00	£ 886.50
Building Control	D17 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £25,001 & £50,000 - Full Plans Application Plan Fee	ST	£ 351.00	£ 378.00
Building Control	D17 Alterations to a single dwelling and all other non-domestic work - where the work is not more than 3 storeys above ground level Cost of work between £25,001 & £50,000 - Full Plans Application Inspection Fee	ST	£ 708.00	£ 762.00
Building Control	D17 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £25,001 & £50,000 - Building Notice Charge	ST	£ 1,059.00	£ 1,138.50
Building Control	D17 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £25,001 & £50,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,323.75	£ 1,423.50
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £50,001 & £100,000 - Full Plans Application Plan Fee	ST	£ 436.00	£ 469.50
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £50,001 & £100,000 - Full Plans Application Inspection Fee	ST	£ 858.00	£ 922.50
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £50,001 & £100,000 - Building Charge Notice	ST	£ 1,294.00	£ 1,392.00
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £50,001 & £100,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,617.50	£ 1,738.50
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £100,001 & £200,000 - Full Plans Application Plan Fee	ST	£ 540.00	£ 580.50
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £100,001 & £200,000 - Full Plans Application Inspection Fee	ST	£ 1,020.00	£ 1,096.50
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £100,001 & £200,000 - Building Notice Charge	ST	£ 1,560.00	£ 1,677.00
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £100,001 & £200,000 - Regularisation Charge. VAT is not payable on Regularisation applications	OS	£ 1,950.00	£ 2,097.00
Building Control	D19 Where a satisfactory competent Persons certificate will not be Issued, eg Part P, GASAFE, HETAS, OFTEC.	ST	£ 348.00	£ 375.00
Building Control	Where work is to a dwelling or a building to which members of the public are admitted, and the work is solely for the benefit of disabled persons. Further details available.	OS	Non-chargeable	Non-chargeable
Building Control	Where the work does not fit into any of the above elements, the Building Control Office must be contacted to discuss and agree the applicable fees.	ST		Dependent on the complexity of the project. Fee determined on request by applicant
Building Control	Where domestic alterations up to £15,000 are to be carried out at the same time as work described in code D01 to D07 or in code D20, the charge payable in D14 or D15, as applicable, can be reduced by 30%	ST		Fee determined on submission of application
Building Control	Where one or more extensions, and a loft conversion or a garage conversion is proposed and the work is carried out at the same time the sum of the fees can be reduced by 30%	ST		Fee determined on submission of application
Building Control	Copy of Notices and Certificates if they are already available on the Council's website.	ST	N/A	£ 60.00
Building Control	Per hour a charge may be made after the first hour, where an application is commenced and inspections carried out, and a request to inspect the site is not received for more than 2 years from the date of the last inspection.	ST	N/A	£81 dependent on the complexity of the project and the date the application was submitted.
Building Control	Request to make an amendment to the Full Plans application or Building Notice description of works for a valid application	ST	N/A	£ 60.00

Agenda Item 9

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	Request to make amendments to the details of the Full Plans application or the Building Notice, requiring changes to, and re-issuing of, invoices due to changes in proposed work	ST	N/A	Minimum charge of £60.00 dependent on the complexity of the changes requested
Building Control	Research and providing copies of previously submitted information that is not in digital format. Copies only available where copyright and professional privacy do not apply.	ST	N/A	First hour £0.00 after that charge of £60.00 per hour or part thereof will be payable
Environmental Health	Stray Dog Charges Statutory Fine/ Fee	OS	£ 25.00	£ 68.00
Environmental Health	Stray Dog Charges Cost for administration and processing of a stray plus any additional vet costs	OS	£ 66.00	£ 68.00
Environmental Health	Stray Dog Charges Cost for Kennelling per day plus any additional vet costs	OS	£ 17.00	£ 17.00
Environmental Health	Animal Licence - Selling of Animals as Pets Licence Fee - plus vet fees where necessary	OS	£ 457.00	£ 629.00
Environmental Health	Animal Licence - Selling of Animals as Pets Renewal Licence Fee - plus vet fees where necessary	OS	£ 409.00	£ 590.00
Environmental Health	Animal Licence - Breeding of Dogs Licence Fee - plus vet fees where necessary	OS	£ 457.00	£ 603.00
Environmental Health	Animal Licence - Breeding of Dogs Renewal Licence Fee - plus vet fees where necessary	OS	£ 409.00	£ 563.00
Environmental Health	Animal Licence - Animal Boarding Commercial Kennels/ Catteries) Licence Fee - plus vet fees where necessary	OS	£ 457.00	£ 563.00
Environmental Health	Animal Licence - Animal Boarding Commercial Kennels/ Catteries) Renewal Licence Fee - plus vet fees where necessary	OS	£ 409.00	£ 590.00
Environmental Health	Animal Licence - Animal Boarding (Home Boarding and Day Care) Licence Fee - plus vet fees where necessary	OS	£ 422.00	£ 576.00
Environmental Health	Animal Licence - Animal Boarding (Home Boarding and Day Care) Renewal Licence Fee - plus vet fees where necessary	OS	£ 374.00	£ 537.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Licence Fee	OS	£ 422.00	£ 576.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Plus each franchise	OS	£ 167.00	£ 207.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Renewal Licence Fee - plus vet fees where necessary	OS	£ 374.00	£ 537.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Plus each franchise	OS	£ 167.00	£ 207.00
Environmental Health	Animal Licence - Training Animals for Exhibition Licence Fee - plus vet fees where necessary	OS	£ 422.00	£ 576.00
Environmental Health	Animal Licence - Training Animals for Exhibition Renewal Licence Fee - plus vet fees where necessary	OS	£ 374.00	£ 537.00
Environmental Health	Animal Licence - Hiring Out Horses Licence Fee - plus vet fees where necessary	OS	£ 529.00	£ 735.00
Environmental Health	Animal Licence - Hiring Out Horses Renewal Licence Fee - plus vet fees where necessary	OS	£ 481.00	£ 696.00
Environmental Health	Animal Licence - Dangerous Wild Animals Licence Licence Fee - plus vet fees where necessary	OS	£ 529.00	£ 629.00
Environmental Health	Animal Licence - Dangerous Wild Animals Licence Renewal Licence Fee - plus vet fees where necessary	OS	£ 410.00	£ 590.00
Environmental Health	Animal Licence - Operating a Zoo Licence Fee - plus vet fees	OS	£ 2,891.00	£ 4,334.00
Environmental Health	Animal Licence - Operating a Zoo Renewal Licence Fee - plus vet fees	OS	£ 2,843.00	£ 4,294.00
Environmental Health	Animal Licence- Fee for re-inspection at the request of a operator	ST		£ 150.00
Environmental Health	Environmental Protection Team - Fixed Penalty Notice for failing to comply with a Community Protection Notice	OS	£ 75.00	£ 100.00
Environmental Health	Environmental Protection Team - Environmental Consultancy including searches First 2 Hours	ST	£ 120.00	£ 151.00
Environmental Health	Environmental Protection Team - Environmental Consultancy including searches Per hour thereafter	ST	£ 60.00	£ 76.00
Environmental Health	Skin piercing Registration - Ear piercing with a hygienic piercing instrument Initial Registration fee (including one practitioner)	OS	£ 148.00	£ 152.00
Environmental Health	Skin piercing Registration - Ear piercing with a hygienic piercing instrument Each additional practitioner	OS	£ 37.00	£ 38.00
Environmental Health	Skinpiercing Registration - Nose piercing with an hygienic piercing instrument Initial Registration fee (including one practitioner)	OS	£ 148.00	£ 152.00
Environmental Health	Skinpiercing Registration - Nose piercing with an hygienic piercing instrument Each additional practitioner	OS	£ 37.00	£ 38.00
Environmental Health	Skinpiercing Registration - Electrolysis Initial Registration fee (including one practitioner)	OS	£ 210.00	£ 216.00
Environmental Health	Skinpiercing Registration - Electrolysis Each additional practitioner	OS	£ 52.00	£ 54.00
Environmental Health	Skinpiercing Registration - Acupuncture Initial Registration fee (including one practitioner)	OS	£ 190.00	£ 195.00
Environmental Health	Skinpiercing Registration - Acupuncture Each additional practitioner	OS	£ 52.00	£ 54.00
Environmental Health	Skinpiercing Registration - Cosmetic body piercing (including ear/nose with a hygienic piercing instrument where trained) Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Cosmetic body piercing (including ear/nose with a hygienic piercing instrument where trained) Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Skinpiercing Registration - Tattooing Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Tattooing Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up-micropigmentation Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up-micropigmentation Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up - Microblading Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up - Microblading Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Food Hygiene - Re-score visit	OS	£ 200.00	£ 205.00

Price List of Non Fixed Statutory Fees

Appendix J

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Environmental Health	Food Hygiene - Safer Food Better Business Pack Caterers'	OS	£ 13.00	£ 13.00
Environmental Health	Food Hygiene - Safer Food Better Business Pack Retailers	OS	£ 12.00	£ 12.00
Environmental Health	Food Hygiene - Safer Food Better Business Pack 12 Months of diary sheets	OS	£ 12.00	£ 12.00
Environmental Health	Gain or Retain a 5 Scheme	ST	N/A	£ 210.00
Environmental Health	Food Hygiene - Charging for advice First 2 Hours	ST	£ 120.00	£ 151.00
Environmental Health	Food Hygiene - Charging for advice Per hour thereafter	ST	£ 60.00	£ 76.00
Environmental Health	Private Water Supplies set fees. - Risk Assessment. Per Hour	OS	£ 35.00	£ 53.00
* Charging structure has been revised for 2024/25 so no direct comparison available				

Agenda Item 9

Price List of Statutory Fees

Appendix J (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
MOT	Class 4	OS	£ 54.85	£ 54.85
MOT	Class 5	OS	£ 58.60	£ 58.60
MOT	Class 7	OS	£ 59.55	£ 59.55
Fixed penalty Notices	Fly-Tipping	OS	£ 400.00	£ 1,000.00
Fixed penalty Notices	Fly-Tipping Early Payment	OS	£ 300.00	£ 300.00
Fixed penalty Notices	Householders Duty of Care	OS	£ 400.00	£ 400.00
Fixed penalty Notices	Householders Duty of Care Early Payment	OS	£ 300.00	£ 300.00
Fixed penalty Notices	Duty of Care	OS	£ 300.00	£ 300.00
Fixed penalty Notices	Duty of Care Early Payment	OS	£ 200.00	£ 200.00
Fixed penalty Notices	Failure to Produce Waste Doc's	OS	£ 300.00	£ 300.00
Fixed penalty Notices	Failure to produce waste doc's Early Payment	OS	£ 200.00	£ 200.00
Fixed penalty Notices	Failure to Comply with Receptacles	OS	£ 100.00	£ 100.00
Fixed penalty Notices	Failure to Comply with Receptacles Early Payment	OS	£ 80.00	£ 80.00
Fixed penalty Notices	Failure to Comply with Receptacles (Commercial)	OS	£ 100.00	£ 100.00
Fixed penalty Notices	Failure to Comply with Receptacles (Commercial) Early Payment	OS	£ 80.00	£ 80.00
Fixed penalty Notices	Littering	OS	£ 100.00	£ 500.00
Fixed penalty Notices	Failure to Produce Transfer Licence	OS	£ 300.00	£ 300.00
Fixed penalty Notices	Failure to Produce Transfer Licence Early Payment	OS	£ 200.00	£ 200.00
Fixed penalty Notices	Breach of Community Protection Notice	OS	£ 75.00	£ 75.00
Fixed penalty Fine - Off-street	Higher level penalty charge	OS	£ 70.00	£ 70.00
Fixed penalty Fine - Off-street	Higher level penalty charge - Payment within fourteen days	OS	£ 35.00	£ 35.00
Fixed penalty Fine - Off-street	Lower level penalty charge	OS	£ 50.00	£ 50.00
Fixed penalty Fine - Off-street	Lower level penalty charge - Payment within fourteen days	OS	£ 25.00	£ 25.00
Fixed penalty Fine - On-street	Higher level penalty charge	OS	£ 70.00	£ 70.00
Fixed penalty Fine - On-street	Higher level penalty charge - Payment within fourteen days	OS	£ 35.00	£ 35.00
Fixed penalty Fine - On-street	Lower level penalty charge	OS	£ 50.00	£ 50.00
Fixed penalty Fine - On-street	Lower level penalty charge - Payment within fourteen days	OS	£ 25.00	£ 25.00
Electoral	Electoral Register/Open Register	OS	Data - £20.00 plus £1.50 per thousand entries or part of Paper - £10.00 plus £5.00 per thousand entries or part of	Data - £20.00 plus £1.50 per thousand entries or part of Paper - £10.00 plus £5.00 per thousand entries or part of
Electoral	Notices of Alterations	OS	Data - £20.00 plus £1.50 per thousand entries or part of Paper - £10.00 plus £5.00 per thousand entries or part of	Data - £20.00 plus £1.50 per thousand entries or part of Paper - £10.00 plus £5.00 per thousand entries or part of
Electoral	List of Overseas Electors	OS	Data - £20.00 plus £1.50 per thousand entries or part of Paper - £10.00 plus £5.00 per thousand entries or part of	Data - £20.00 plus £1.50 per thousand entries or part of Paper - £10.00 plus £5.00 per thousand entries or part of
Electoral	Copies of the Marked Register	OS	Data - £10.00 plus £1.00 per thousand entries or part of Paper - £10.00 plus £2.00 per thousand entries or part of	Data - £10.00 plus £1.00 per thousand entries or part of Paper - £10.00 plus £2.00 per thousand entries or part of
Penalty charge for breach of Smoke and Carbon Monoxide Alarms (England) Regulations 2015	1st offence	OS	£ 2,500.00	£ 5,000.00
	1st offence with early payment reduction (14 days)	OS	£ 1,250.00	£ 2,500.00
	Subsequent offence (statutory maximum)	OS	£ 5,000.00	£ 5,000.00
	Subsequent offence with early payment reduction	OS	£ 2,500.00	£ 2,500.00
The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014	Statutory Maximum Penalty £5,000	OS	Variable	Variable
Breach of Community Protection Notice - Anti-Social Behaviour, Crime and Policing Act 2014 - sec 52	Full penalty	OS	£ 100.00	£ 100.00
Breach of Community Protection Notice - Anti-Social Behaviour, Crime and Policing Act 2014 - sec 52	Maximum on conviction	OS	£ 2,500.00	£ 2,500.00
Breach of Closure Order - Anti-Social Behaviour, Crime and Policing Act 2014 - sec 52	Maximum on conviction	OS	£ -	£ -
Licensing	Premises Licence/Club Premises Certificate - Band A - New and Variation Application	OS	£ 100.00	£ 100.00
Licensing	Premises Licence/Club Premises Certificate - Band B - New and Variation Application	OS	£ 190.00	£ 190.00
Licensing	Premises Licence/Club Premises Certificate - Band C - New and Variation Application	OS	£ 315.00	£ 315.00
Licensing	Premises Licence/Club Premises Certificate - Band D - New and Variation Application	OS	£ 450.00	£ 450.00
Licensing	Premises Licence/Club Premises Certificate - Band E - New and Variation Application	OS	£ 635.00	£ 635.00
Licensing	Premises Licence/Club Premises Certificate - Band D with Multiplier New and Variation Application	OS	£ 900.00	£ 900.00
Licensing	Premises Licence/Club Premises Certificate - Band E with multiplier New and Variation Application	OS	£ 1,905.00	£ 1,905.00
Licensing	S17 Premises Licence - Other Fees - Minor Variations	OS	£ 89.00	£ 89.00
Licensing	S11 Premises Licence - Other Fees - Application for transfer of premises licence	OS	£ 23.00	£ 23.00
Licensing	S23 Premises Licence - Other Fees - Variation of designated premises supervisor	OS	£ 23.00	£ 23.00
Licensing	S16 Premises Licence - Other Fees - Interim authority notice following the death etc. of licence holder	OS	£ 23.00	£ 23.00
Licensing	S10 Premises Licence - Other Fees - Application for a provisional statement where premises being built etc	OS	£ 315.00	£ 315.00
Licensing	S20 Premises Licence - Other Fees - Right of freeholder etc. to be notified of licensing matters	OS	£ 21.00	£ 21.00
Licensing	S01 Personal Licence	OS	£ 37.00	£ 37.00
Licensing	S02 Personal Licence - Change of details or copy	OS	£ 10.50	£ 10.50
Licensing	S01 Temporary Event Notice	OS	£ 21.00	£ 21.00
Licensing	S01 Temporary Event Notice	OS	£ 21.00	£ 21.00
Licensing	S02 Temporary Event Notice - Copy of Notice	OS	£ 10.50	£ 10.50
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band A	OS	£ 70.00	£ 70.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band B	OS	£ 180.00	£ 180.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band C	OS	£ 295.00	£ 295.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band D	OS	£ 320.00	£ 320.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band E	OS	£ 350.00	£ 350.00

Price List of Statutory Fees

Appendix J (Cont)

Service	Further information	VAT Categor	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band D with Multiplier	OS	£ 640.00	£ 640.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band E with Multiplier	OS	£ 1,050.00	£ 1,050.00
Licensing	S22 Premises Licence - Other Fees - Theft, loss etc of premises licence or Club Premises Certificate	OS	£ 10.50	£ 10.50
Licensing	S18 Premises Licence - Other Fees - Notification of change of name or address	OS	£ 10.50	£ 10.50
Licensing	S14 Premises Licence - Other Fees - Designated premises supervisor - variation of mandatory condition	OS	£ 23.00	£ 23.00
Licensing	S19 Premises Licence - Other Fees - Notification of change of name or alteration of rules of club	OS	£ 10.50	£ 10.50
Licensing	Lottery Licence - New Lottery Licence	OS	£ 40.00	£ 40.00
Licensing	S02 Lottery Licence - Annual Fee	OS	£ 20.00	£ 20.00
Licensing	S05 Club Gaming Permits - Grant	OS	£ 200.00	£ 200.00
Licensing	S06 Club Gaming Permits - Grant (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S07 Club Gaming Permits - Renewal	OS	£ 200.00	£ 200.00
Licensing	S08 Club Gaming Permits - Renewal (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S09 Club Gaming Permits - Variation	OS	£ 100.00	£ 100.00
Licensing	S01 Club Gaming Permits - Annual Fee	OS	£ 50.00	£ 50.00
Licensing	S03 Club Gaming Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	S05 Club Machine Permits - Grant	OS	£ 200.00	£ 200.00
Licensing	S06 Club Machine Permits - Grant (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S07 Club Machine Permits - Renewal	OS	£ 200.00	£ 200.00
Licensing	S08 Club Machine Permits - Renewal (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S09 Club Machine Permits - Variation	OS	£ 100.00	£ 100.00
Licensing	S01 Club Machine Permits - Annual Fee (Club Premises Certificate Holder)	OS	£ 50.00	£ 50.00
Licensing	S03 Club Machine Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	S05 Gaming Machine Permit - Grant	OS	£ 150.00	£ 150.00
Licensing	S04 Gaming Machine Permit - Existing operator grant	OS	£ 100.00	£ 100.00
Licensing	S07 Gaming Machine Permit - Variation	OS	£ 100.00	£ 100.00
Licensing	S06 Gaming Machine Permit - Transfer	OS	£ 25.00	£ 25.00
Licensing	S01 Gaming Machine Permit - Annual Fee	OS	£ 50.00	£ 50.00
Licensing	S02 Gaming Machine Permit - Change of name	OS	£ 25.00	£ 25.00
Licensing	S03 Gaming Machine Permit - Copy of permit	OS	£ 15.00	£ 15.00
Licensing	Licensed Premises Automatic Notification	OS	£ 50.00	£ 50.00
Licensing	S04 Family Entertainment Centre Gaming Machine Permits - Grant	OS	£ 300.00	£ 300.00
Licensing	S03 Family Entertainment Centre Gaming Machine Permits - Existing Operator Grant	OS	£ 100.00	£ 100.00
Licensing	S05 Family Entertainment Centre Gaming Machine Permits - Renewal	OS	£ 300.00	£ 300.00
Licensing	S01 Family Entertainment Centre Gaming Machine Permits - Change of Name	OS	£ 25.00	£ 25.00
Licensing	S02 Family Entertainment Centre Gaming Machine Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	S04 Prize Gaming Permits - Grant	OS	£ 300.00	£ 300.00
Licensing	S03 Prize Gaming Permits - Existing Operator Grant	OS	£ 100.00	£ 100.00
Licensing	S05 Prize Gaming Permits - Renewal	OS	£ 300.00	£ 300.00
Licensing	S01 Prize Gaming Permits - Change of Name	OS	£ 25.00	£ 25.00
Licensing	S02 Prize Gaming Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	DBS application	OS	£ 38.00	£ 38.00
Planning	Alterations/extensions to a single dwellinghouse, including works within boundaries - Alterations/extensions to a single dwellinghouse, including works within boundaries - Single Dwellings	OS	£ 206.00	£ 258.00
Planning	Outline Applications - Site area - Not more than 2.5 hectares - Per 0.1 hectare or part thereof	OS	£ 462.00	£ 624.00
Planning	Outline Applications - Site area - More than 2.5 hectares	OS	£ 11,432.00	£ 15,433.00
Planning	Outline Applications - Site area - Each additional 0.1 hectare or part thereof in excess of 2.5 hectares	OS	£ 138.00	£ 186.00
Planning	Outline Applications - Site area - Maximum fee	OS	£ 150,000.00	£ 202,500.00
Planning	Full Applications ** - Alterations/extensions to a dwellinghouse, including works within boundaries - 1 dwellinghouse or flat	OS	£ 206.00	£ 258.00
Planning	Full Applications** - 2+ dwellinghouses or flats - Each	OS	£ 407.00	£ 509.00
Planning	Full Applications** - New dwellinghouses - Not more than 50 dwellinghouses - Each	OS	£ 462.00	£ 624.00
Planning	Full Applications** - 50+ dwellinghouses	OS	£ 22,859.00	£ 30,860.00
Planning	Full Applications** - Each additional dwellinghouse in excess of 50	OS	£ 138.00	£ 186.00
Planning	Full Applications** - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - No increase in gross floor space or no more than 40 square meters	OS	£ 234.00	£ 293.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - 40-75 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - 75-3,750 square meters - Per 75 square meters or part thereof	OS	£ 462.00	£ 624.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - 3,750+ square meters	OS	£ 22,859.00	£ 30,680.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - Each additional 75 square meters or part thereof in excess of 3,750 square meters	OS	£ 138.00	£ 186.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Not more than 465 square meters	OS	£ 96.00	£ 120.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - 465-540 square meters	OS	£ 462.00	£ 578.00

Agenda Item 9

Price List of Statutory Fees

Appendix J (Cont)

Service	Further information	VAT Categor	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - 540-4,215 square meters - First 540 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Each additional 75 square meters or part thereof in excess of 540 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - 4,215+ square meters	OS	£ 22,859.00	£ 30,860.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Each additional 75 square meters or part thereof in excess of 4,215 square meters	OS	£ 138.00	£ 186.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Erection of glasshouses (on land used for agriculture purposes) - Gross floor space to be created by the development - Not more than 465 square meters	OS	£ 96.00	£ 120.00
Planning	Erection of glasshouses (on land used for agriculture purposes) - Gross floor space to be created by the development - More than 465 square meters	OS	£ 2,580.00	£ 3,225.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - Not more than 5 hectares - Per 0.1 hectare or part thereof	OS	£ 462.00	£ 624.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - More than 5 hectares	OS	£ 22,859.00	£ 30,860.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - Each additional 0.1 hectare or part thereof in excess of 5 hectares	OS	£ 138.00	£ 186.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Applications other than building works - Car parks, service roads or other access - For existing users	OS	£ 234.00	£ 293.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - Not more than 15 hectares - Per 0.1 hectare or part thereof	OS	£ 234.00	£ 316.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - More than 15 hectares	OS	£ 34,934.00	£ 47,161.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - Each additional 0.1 hectare or part thereof in excess of 15 hectares	OS	£ 138.00	£ 186.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - Maximum fee	OS	£ 78,000.00	£ 78,000.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - Not more than 7.5 hectares - Per 0.1 hectare or part thereof	OS	£ 508.00	£ 686.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - More than 7.5 hectares	OS	£ 38,070.00	£ 51,395.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - Each additional 0.1 hectare or part thereof in excess of 7.5 hectares	OS	£ 151.00	£ 204.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - Not more than 15 hectares - Per 0.1 hectare or part thereof	OS	£ 257.00	£ 347.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - More than 15 hectares	OS	£ 38,520.00	£ 52,002.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - Each additional 0.1 hectare or part thereof in excess of 15 hectares	OS	£ 151.00	£ 204.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - Maximum fee	OS	£ 78,000.00	£ 105,300.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - Not more than 15 hectares - Per 0.1 hectare or part thereof	OS	£ 234.00	£ 316.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - More than 15 hectares	OS	£ 34,934.00	£ 47,161.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - Each additional 0.1 hectare or part thereof in excess of 15 hectares	OS	£ 138.00	£ 186.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - Maximum fee	OS	£ 78,000.00	£ 105,300.00
Planning	Other operations (not coming within any of the above categories) - Site area - Any site area - Per 0.1 hectare or part thereof	OS	£ 234.00	£ 293.00
Planning	Other operations (not coming within any of the above categories) - Site area - Maximum fee	OS	£ 2,028.00	£ 2,535.00
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - Not more than 50 dwellinghouses - Each	OS	£ 462.00	£ 624.00
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - 50+ dwellinghouses	OS	£ 22,859.00	£ 30,860.00
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - Each additional dwellinghouse in excess of 50	OS	£ 138.00	£ 186.00

Price List of Statutory Fees

Appendix J (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Other Changes of Use of a building or land	OS	£ 462.00	£ 578.00
Planning	Lawful Development Certificate - Existing use or operation - Full application fee**	OS		
Planning	Lawful Development Certificate - Existing use or operation - lawful not to comply with any condition or limitation - Full application fee.**	OS	£ 234.00	£ 293.00
Planning	Lawful Development Certificate - Proposed use or operation - Half of the application fee**	OS	TBC	TBC
Planning	Prior Approval (under Permitted Development rights) - Larger Home Extensions	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Additional storeys on a home	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Agricultural and Forestry buildings & operations	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Demolition of buildings	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Communications (previously referred to as 'Telecommunications Code Systems Operators')	OS	£ 462.00	£ 578.00
Planning	Prior Approval (under Permitted Development rights) - Change of use from Commercial/Business/Service (Use Class E), Betting Office or Pay Day Loan Shop to mixed use including up to two flats (Use Class C1)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Commercial/Business/Service (Use Class E), Hotels (Use Class C1), Residential Institutions (Use Class C2), Secure Residential Institutions (Use Class C2A) to a State Funded School	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to a State-Funded School	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to a flexible commercial use within Commercial/Business/Service (Use Class E), Storage or Distribution (Use Class B8), or Hotels (Use Class C1)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Commercial/Business/Service (Use Class E) to dwellinghouses (Use Class C3) - Each	OS	£ 100.00	£ 125.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to dwellinghouses (Use Class C3) - Each	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to dwellinghouses (Use Class C3) - If building operations in connection with the change of use are included	OS	£ 206.00	£ 258.00
Planning	Prior Approval (under Permitted Development rights) - Change of use of a building from Betting Office, Pay Day Loan Shop, Launderette; a mixed use combining one of these uses and use as Dwellinghouse(s); or Hot Food Takeaways to dwellinghouses (Use Class C3)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of use of a building from Betting Office, Pay Day Loan Shop, Launderette; a mixed use combining one of these uses and use as Dwellinghouse(s); or Hot Food Takeaways to dwellinghouses (Use Class C3) - If building operations in connection with the change of use are included	OS	£ 206.00	£ 258.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Amusement Arcades/Centres and Casinos to Dwellinghouses (Use Class C3)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Amusement Arcades/Centres and Casinos to Dwellinghouses (Use Class C3) - If building operations in connection with the change of use are included	OS	£ 206.00	£ 258.00
Planning	Prior Approval (under Permitted Development rights) - Temporary Use of Buildings or Land for the Purpose of Commercial Film-Making and the Associated Temporary Structures, Works, Plant or Machinery required in connection with that use	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Provision of Temporary School Buildings on Vacant Commercial Land and the use of that land as a State-funded School for up to 3 Academic Years	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Development Consisting of the Erection or Construction of a Collection Facility within the Curtilage of a Shop	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the Roofs of Non-domestic Buildings up to a Capacity of 1 Megawatt	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Erection, extension, or alteration of a university building	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Movable structure within the curtilage of a historic visitor attraction or listed pub/restaurant/etc	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - Not more than 50 dwellinghouses - Each	OS	£ 334.00	£ 451.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - 50+ dwellinghouses	OS	£ 16,525.00	£ 22,309.00

Agenda Item 9

Price List of Statutory Fees

Appendix J (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - Each additional dwellinghouse in excess of 50	OS	£ 100.00	£ 135.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Reserved Matters - Approval of reserved matters following outline approval - Full application fee to be paid**	OS	TBC	TBC
Planning	Reserved Matters - If full fee is already paid	OS	£ 462.00	£ 578.00
Planning	Reserved Matters - Removal/Variation/Approval/Discharge of condition - Following grant of planning permission	OS	£ 234.00	£ 293.00
Planning	Reserved Matters - Discharge of condition(s) - Approval of details and/or confirmation that one or more planning conditions have been complied with - Householder permissions	OS	£ 34.00	£ 43.00
Planning	Reserved Matters - Discharge of condition(s) - Approval of details and/or confirmation that one or more planning conditions have been complied with - All other permissions	OS	£ 116.00	£ 145.00
Planning	Advertising - Relating to the business on the premises -	OS	£ 132.00	£ 165.00
Planning	Advertising - Advance signs which are not situated on or visible from the site, directing the public to a business -	OS	£ 132.00	£ 165.00
Planning	Advertising - Other advertisements -	OS	£ 462.00	£ 578.00
Planning	Non-material Amendment Following a Grant of Planning Permission - Householder developments -	OS	£ 34.00	£ 43.00
Planning	Non-material Amendment Following a Grant of Planning Permission - Any other development -	OS	£ 234.00	£ 293.00
Planning	Permission in Principle - Site area - Each 0.1 hectare or part thereof	OS	£ 402.00	£ 503.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Any Part 1 reduced fee activity (other than those in items II and vehicle refinishers)	OS	£ 155.00	£ 155.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - PVR I and PVR II activities carried on at the same service station	OS	£ 257.00	£ 257.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Vehicle refinishers(b), any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity	OS	£ 362.00	£ 362.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Any other Part B activity or any other solvent emission activity	OS	£ 1,650.00	£ 1,650.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Application fee for grant of a permit for mobile plant 1-2 permits each	OS	£ 1,650.00	£ 1,650.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Application fee for grant of a permit for mobile plant 3-7 permits each	OS	£ 985.00	£ 985.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Application fee for grant of a permit for mobile plant 8+ permits each	OS	£ 498.00	£ 498.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Additional fees for a late application and where a regulation 33 direction is issued In the case of an application for a permit authorising any reduced fee activity;	OS	£ 71.00	£ 71.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Additional fees for a late application and where a regulation 33 direction is issued In the case of an application for a permit authorising any other Part B activity or any other solvent emission activity;	OS	£ 1,188.00	£ 1,188.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Additional fees for a late application and where a regulation 33 direction is issued Where an operator has been operating mobile plant in contravention of regulation 12, in addition to the fee payable in article 6 the operator must pay	OS	£ 1,188.00	£ 1,188.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Variation of a permit In the case of a permit authorising any reduced fee activity;	OS	£ 102.00	£ 102.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Variation of a permit. In the case of a permit authorising any other Part B activity or any other solvent emission activity;	OS	£ 1,050.00	£ 1,050.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Transfer of a permit authorising a reduced fee activity Partial transfer (No fee payable for a total transfer)	OS	£ 47.00	£ 47.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Transfer of a permit authorising any other Part B activity or any other solvent emission activity Partial transfer	OS	£ 497.00	£ 497.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Transfer of a permit authorising any other Part B activity or any other solvent emission activity Total transfer	OS	£ 169.00	£ 169.00
Environmental Health	Annual Subsistence Charges - Any Part 1 reduced fee activity (other than those in items II & vehicle refinishers) Low Risk	OS	£ 79.00	£ 79.00
Environmental Health	Annual Subsistence Charges - Any Part 1 reduced fee activity (other than those in items II & vehicle refinishers) Medium Risk	OS	£ 158.00	£ 158.00
Environmental Health	Annual Subsistence Charges - Any Part 1 reduced fee activity (other than those in items II & vehicle refinishers) High Risk	OS	£ 237.00	£ 237.00
Environmental Health	Annual Subsistence Charges - PVR I & II activities carried on at same service station Low Risk	OS	£ 113.00	£ 113.00
Environmental Health	Annual Subsistence Charges - PVR I & II activities carried on at same service station Medium Risk	OS	£ 226.00	£ 226.00
Environmental Health	Annual Subsistence Charges - PVR I & II activities carried on at same service station High Risk	OS	£ 341.00	£ 341.00
Environmental Health	Annual Subsistence Charges - Vehicle refinishers , any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity Low Risk	OS	£ 228.00	£ 228.00

Price List of Statutory Fees

Appendix J (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Environmental Health	Annual Subsistence Charges - Vehicle refinishers , any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity Medium Risk	OS	£ 365.00	£ 365.00
Environmental Health	Annual Subsistence Charges - Vehicle refinishers , any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity High Risk	OS	£ 548.00	£ 548.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity Low Risk	OS	£ 772.00	£ 772.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity Medium Risk	OS	£ 1,161.00	£ 1,161.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity High Risk	OS	£ 1,747.00	£ 1,747.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 1-2 Permits each Low Risk	OS	£ 626.00	£ 626.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity Medium Risk	OS	£ 1,034.00	£ 1,034.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity High Risk	OS	£ 1,551.00	£ 1,551.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 3-7 Permits each Low Risk	OS	£ 385.00	£ 385.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 3-7 Permits each Medium Risk	OS	£ 617.00	£ 617.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 3-7 Permits each High Risk	OS	£ 924.00	£ 924.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 8+ Permits each Low Risk	OS	£ 198.00	£ 198.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 8+ Permits each Medium Risk	OS	£ 314.00	£ 314.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 8+ Permits each High Risk	OS	£ 473.00	£ 473.00
Environmental Health	Skin piercing Registration - Ear piercing with a hygienic piercing instrument Initial Registration fee (including one practitioner)	OS	£ 148.00	£ 152.00
Environmental Health	Food Hygiene - Unsaleable Food certificate 2 Hours minimum charge	ST	£ 193.00	£ 193.00
Environmental Health	Food Hygiene - Unsaleable Food certificate Per hour or part of thereafter	ST	£ 67.00	£ 67.00
Environmental Health	Food Hygiene - Voluntary surrender certificate 2 Hours minimum charge	ST	£ 193.00	£ 193.00
Environmental Health	Food Hygiene - Voluntary surrender certificate Per hour or part of thereafter	ST	£ 67.00	£ 67.00
Environmental Health	Private Water Supplies set fees. - Risk Assessment. Statutory maximum	OS	£ 500.00	£ 500.00
Environmental Health	Private Water Supplies set fees. - Sampling Visit. Per visit	OS	£ 35.00	£ 53.00
Environmental Health	Private Water Supplies set fees. - Sampling Visit. Statutory maximum	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Investigation (of failure). Per Hour	OS	£ 35.00	£ 53.00
Environmental Health	Private Water Supplies set fees. - Investigation (of failure). Statutory maximum	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Granting an authorisation (each authorisation). Statutory maximum	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Analysis of sample taken from small domestic supply.	OS	£ 25.00	£ 25.00
Environmental Health	Private Water Supplies set fees. - Analysis of sample taken by way of check monitoring from large or commercial supply.	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Analysis of sample taken by way of audit monitoring from large commercial supply.	OS	£ 500.00	£ 500.00
* Charging structure has been revised for 2024/25 so no direct comparison available				

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Capital Programme 2024-27

Chief Officer/Scheme	Funding Source	Bid Form							Total expected spend £000
					2023/24	2024/25	2025/26	2026/27	
			Total approved scheme £000	Previous years spend £000	Forecast £000	Budget £000	Budget £000	Budget £000	
People & Places									
White Oak Leisure Centre	Capital Receipts & External funding, External borrowing	Previously approved	22,866	21,814	329	-	-	-	22,143
White Oak Leisure centre - Orchards Academy	Capital Receipts	Previously approved	162	-	-	162			162
White Oak Residential	Capital Receipts and Grant	Previously approved	21,484	162	400	9,500	9,500	1,922	21,484
27-37 Swanley High street (Meeting Point)	Capital Receipts & External funding	Previously approved	6,114	5,086	1,028	-			6,114
Bevan Place	Mixed	Previously approved	27,306	1,110		14,022	10,229	1,945	27,306
Farmstead Drive	Capital Receipts and Grant	Previously approved	10,351	915	1,078	4,213	4,145		10,351
Affordable Housing (Quercus Housing)	External Borrowing	Previously approved	15,000		-	1,500	1,500	12,000	15,000
Stangrove Estate	Mixed	Previously approved	4,313	130	2,500	1,683			4,313
Combined Feasibility Pot*	Mixed	Capital Bid 1	-	-	-	500	500	500	1,500
Finance and Trading									
Bradbourne Lakes	Capital receipts	Previously approved	60			60			60
Vehicle Replacement Programme	Vehicle Replace Reserve	Capital Bid 02	1,836			597	612	627	1,836
Disabled Facility Grant	External funding	Capital Bid 03	3,384			1,128	1,128	1,128	3,384
TOTAL				29,217	5,335	33,365	27,614	18,122	113,653

* For capital projects such as Land East of the High Street, Sevenoaks, Argyle Road, Holly Bush Park, Glen Dunlop House, Edenbridge Leisure Centre and future housing and regeneration development sites

				2023/24	2024/25	2025/26	2026/27		
				Previous years spend	Forecast	Budget	Budget	Budget	Total
				£000	£000	£000	£000	£000	£000
Funding Sources									
Capital Receipts				-2,846	-7,148	-1,180	-31,853	0	-43,027
Vehicle Renewal Reserve						-597	-612	-627	-1,836
Better Care Fund (KCC)						-1,128	-1,128	-1,128	-3,384
Internal Borrowing	Used			-20,377	-4,960	-162	0	0	-25,499
	Repaid			2,846	7,148	1,120	0	0	11,114
** Mixed funding depending on scheme						-500	-500	-500	-1,500
External Borrowing	-Long term			-8,000	0	-15,522	-11,729	-13,945	-49,196
	-Short term			0	0	-15,396	-13,645	-1,922	-30,963
	- Short term repaid						31,853		31,853
Grant Funding				-840	-375				-1,215
Total Funding				-29,217	-5,335	-33,365	-27,614	-18,122	-113,653

** May be funded from Capital Receipts, Reserves, Internal Borrowing or External Borrowing.

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Capital Programme 2024/27

Scheme Bid Document - Scheme Name: Combined Feasibility Pot

Box 1 Description: The Council has an ambitious capital development programme arising from a dynamic asset review process. Funding is required to undertake pre-feasibility and due diligence work to inform options appraisals and viability assessments. Without pre-feasibility studies, the Council will not be able to discern what projects it should proceed with, and given that the development programme is dynamic and not only responds to Council priorities but also to market circumstances, the deployment of resources needs to be agile.

It is important to note that the deployment of funds is subject to the Council's project management protocols which requires SMT to approve scheme progression particularly during a project's set-up stage. Once there are sufficient details in place demonstrating viability and feasibility a scheme is then submitted for Council approval via the Committee process. The deployment of resources is also subject to the Public Contracts Regulations (2015) and the Council's procurement regulations.

Portfolio / Chief Officer : Detlev Munster

Service: Property and Commercial

Financials :

<u>CAPITAL COSTS</u>	2024/25	2025/26	2026/27	Period Total
<u>Details of costs & funding</u> <u>(excluding Interest)</u>	£000's	£000's	£000's	£000's
Capital Costs	500	500	500	1,500
External Funding	-	-	-	-
Net Capital Costs	500	500	500	1,500

<u>ONGOING REVENUE IMPLICATIONS</u>	2024/25	2025/26	2026/27	Period Total
	£000's	£000's	£000's	£000's
Running costs	-	-	-	-

Income streams	-	-	-	-
Net cost	-	-	-	-

Funding Source : From future capital receipts.

Other Resource Implications :	
Staffing	Project staff are partially funded through the capital programme.
Asset Values	The utilisation of assets declared surplus to the Council's requirements and repurposed for development will result in new capital asset values. These will be dependent on the alternative use that will be determined for the site in question and will accord with IFRS13.

Justification: Statutory Duty

The council has a statutory duty to seek best consideration for the use of its assets under the LGA 1972. In addition, it also has a duty to provide affordable housing.

Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030. The decisions recommended in this paper directly impact on this ambition. The Council is required to comply with building regulations that are aimed at reducing carbon emissions. It is not possible to determine at this point in time the potential impact of a development as this can only be determined once scheme details emerge.

Proposed schemes will also have the following impacts: environmental, social and equalities, but these are project dependent and can only be assessed and reported once scheme details materialise.

Capital Programme 2024/27

Scheme Bid Document - Scheme Name: Vehicle Replacement Programme

Box 1 Description: Purchase or lease of replacement commercial fleet vehicles that have reached the end of their fully depreciated operational life.

Portfolio / Chief Officer: Adrian Rowbotham

Service: Direct Service

Financials:

<u>CAPITAL COSTS</u> <u>Details of costs & funding</u> <u>(excluding Interest)</u>	2024/25 £000's	2025/26 £000's	2026/27 £000's	Period Total £000's
Capital Costs	597	612	627	1,836
External Funding	-	-	-	-
Net Capital Costs	597	612	627	1,836

<u>ONGOING REVENUE IMPLICATIONS</u>	2024/25 £000's	2025/26 £000's	2026/27 £000's	Period Total £000's
Running costs	-	-	-	-
Income streams	-	-	-	-
Net cost	-	-	-	-

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. The Budget has been increased by the budget assumption of 2.5%.

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

Justification: Statutory Duty

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

Key Implications

Financial

All options that contain financial implications detailed within this report.

Legal Implications and Risk Assessment Statement.

No legal implications identified within this report or the decisions relating to 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.

Net Zero Implications

The decisions recommended through this paper are relevant to the council’s carbon neutral ambition. The purchase or lease of new more environmentally efficient vehicles will help reduce the Councils overall carbon omissions.

Capital Programme 2024/27

Scheme Bid Document - Better Care Fund/Disabled Facilities Grant.

Box 1 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.

Portfolio / Chief Officer : People and Places/Sarah Robson

Service: Housing

Financials :

<u>CAPITAL COSTS</u>	2024/25	2025/26	2026/27	Period Total
<u>Details of costs & funding (excluding Interest)</u>	£000's	£000's	£000's	£000's
Capital Costs	1,128	1,128	1,128	3,384
External Funding	(1,128)	(1,128)	(1,128)	(3,384)
Net Capital Costs	-	-	-	-

<u>ONGOING REVENUE IMPLICATIONS</u>	2024/25	2025/26	2026/27	Period Total
	£000's	£000's	£000's	£000's
Running costs	-	-	-	-
Income streams	-	-	-	-
Net cost	-	-	-	-

Funding Source : Better Care Fund (Central Government via KCC)

Other Resource Implications :	
Staffing	Managed with existing staffing establishment

Asset Values	Assets not in Council ownership
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Justification: Statutory Duty

It is a statutory duty to provide Disabled facilities grants (DFG) to older and or disabled residents. The Council’s DFG service is eligible for Department for Levelling Up, Housing and Communities (DLUCH) funding. Larger grants are managed by Home Improvement Agency (HIA).

Net Zero Implications

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

The Capital Strategy 2024/25

Purpose of the Capital Strategy

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

Agenda Item 9

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

Project Initiation

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

Prioritisation of capital projects

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

Monitoring and evaluating schemes

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

Revenue implications

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

Savings, including benefits, to identify include:

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

Funding the Capital Strategy

Agenda Item 9

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

Borrowing

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

Commercial activities and investment property

- 19 CIPFA defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.
- 20 With reductions in funding that the Council has faced, it is having to look at commercial activities and property investment to supplement its income and support service delivery. However, to minimise risk of potential loss of

income in the longer term, it needs to ensure that any investment opportunities are based upon sound decision making that considers the future likelihood of investment income reducing. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave properties remaining vacant.

- 21 The detail is contained in the Council's Property Investment Strategy which documents the Council's requirements, but when making commercial investment decisions the Council will follow the following principles:
- Commercial investments will only be made to enhance the Council's asset portfolio and will be linked to delivery of the Ten Year Budget;
 - Consideration will be given to the economic development potential of any investment decision;
 - Expert advice will be sought to ensure that any investment decision is based upon sound market intelligence, forecasts for future investment returns and yields that offer sound investment return without risking the capital invested;
 - Any borrowing linked to investment opportunities is secured upon the potential guaranteed element of the investment return so that any liability can be met from the activity undertaken; and
 - Investment opportunities will always ensure that the Council's investment is protected as far as possible either through increases in capital value or from guaranteed revenue income.
- 22 The Property Investment Strategy makes it clear that the Council will continue to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by a robust governance process. However, proportionality in respect of overall resources will remain an important factor.

Consideration of risk

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

Agenda Item 9

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

Knowledge and skills

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

Statement of Reserves and Provisions

1. This appendix sets out details of the reserves and provisions held by the council. These balances have been subject to a detailed review as part of the budget process. **The items in bold show the changes that are being recommended.**
2. One of the requirements of the Financial Planning Strategy is to have flexible use of the Budget Stabilisation Reserve. The fund incorporates any annual under-spends and absorbs any annual over-spends. **It is recommended that any variance in the 2024/25 budget is put into this reserve or absorbed by this reserve.**
3. It is proposed that the Net Service Expenditure budget is increased from £18.5m in 2023/24 to £19.4m in 2024/25. **It is recommended that the General Fund Reserve is increased by £200,000 from £1.8m to £2.0m to remain as a 10% working balance.**
4. The individual amounts held in the Carry Forward Reserve have been reviewed and **it is recommended to remove £200,000 from this reserve.**
5. The table below sets out the reserves and provisions held as at 1 April 2023 and the forecast at 31 March 2024.

	Balance as at 01/04/23 £000	Forecast Balance as at 31/03/24 £000	Purpose (further details are included in the Statement of Accounts)
Provisions			
Business Rates Appeals	3,956	3,956	The Council has to provide for its share of the costs arising from successful appeals by business ratepayers.
Accumulated Absences	268	268	Absorbs the difference that would otherwise arise on the General Fund Balance from accruing for compensated absences (e.g. annual leave) earned but not taken in the year. Opposite entry in Unusable Reserves.
Municipal Mutual Insurance (MMI)	257	257	A solvent run-off of MMI is now unlikely which may result in Councils being liable to clawback of monies paid out.
Sub Total	4,480	4,480	
Capital Receipts			
Capital Receipts	6,483	6,275	Balance from previous asset sales. Can be used to fund future capital expenditure.
Earmarked Reserves			
Action and Development	296	296	To fund ad hoc and unplanned expenditure (e.g. due to an emergency).
Budget Stabilisation	6,830	5,536	To support decisions required to continue to produce a balanced budget in future years.
Business Rates Retention	2,563	2,564	To manage the volatility in yearly cash flows in the Collection Fund caused by the complexities in the Business Rates Retention Scheme.
Capital Financing	500	648	Annual contributions from revenue to fund some capital projects.
Carry Forward Items	1,313	798	For specific items agreed by Cabinet, e.g. if a project has slipped between years.
Community Infrastructure Levy Administration	152	152	To be spent on the administration of the levy.

	Balance as at 01/04/23 £000	Forecast Balance as at 31/03/24 £000	Purpose (further details are included in the Statement of Accounts)
District Elections	176	176	To finance local elections.
Financial Plan	3,889	3,562	To support the 10-year budget strategy.
Homelessness Prevention	541	424	External funding received for homelessness prevention.
Housing and Commercial Growth Fund	566	566	To fund projects as part of the West Kent Partnership within the district
IT Asset Maintenance	598	481	To fund future IT asset maintenance costs.
Local Plan	294	93	To help support the Local Plan.
Net Zero	134	188	To fund expenditure to help achieve the aim to be carbon neutral by 2030.
Pension Fund Valuation	339	348	To contribute towards downturns in future pension fund actuarial valuations.
People and Places	147	124	External funding received for ongoing and future projects.
Property Investment Strategy Maintenance	311	530	To fund future maintenance and void periods.
Reorganisation Reserve	164	164	To fund actions taken to achieve annual budget savings.
Vehicle Insurance	279	279	Own vehicle damage for the commercial vehicle fleet.
Vehicle Renewal	1,395	1,025	To fund future commercial vehicle replacements.
Others	567	614	Includes Rent Deposit Guarantee, Local Strategic Partnership, Electoral Registration etc.
Sub Total	21,054	19,867	

	Balance as at 01/04/23 £000	Forecast Balance as at 31/03/24 £000	Purpose (further details are included in the Statement of Accounts)
General Fund	1,800	2,000	Acts as a working balance to meet unexpected issues during the year, for which a minimum of 10% of net service expenditure recommended. It also meets any planned deficits on the revenue account.
TOTAL	33,817	32,622	

Definitions:

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

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

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

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

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Financial Risks Budget 2024/25

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)

Page 247	Likelihood	Very Likely (5)	13	10			
		Likely (4)			11		
		Possible (3)	5	7	12, 14	1, 3	
		Unlikely (2)		4			
		Very Unlikely (1)			2		8
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)	
Impact							

- No matrix score for risk 6, 9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
1) Pay Costs <ul style="list-style-type: none"> Largest single item of cost. Complex drivers across the organisation. Staff recruitment and retention. 2023/24 National Pay Award was £1,925 (5.8%) and the level of future pay awards remains uncertain. 	<ul style="list-style-type: none"> £19.4m total costs. 3% pay increase = £540k. Budget assumptions: 4% pay award in 24/25 and 2% in all other 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. Updated policies on formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement. 	3	4	12	3	4	12
2) Pensions Funding <ul style="list-style-type: none"> Deficit on County Fund. Future actuarial results. Government review. 	<ul style="list-style-type: none"> £8.78m deficit (March 22) 1% change in employers' contribution = £100k 	2	4	8	<ul style="list-style-type: none"> £50k included in 2026/27 to contribute towards any additional pensions costs when the next valuation takes place. 	1	3	3	1	3	3
3) Income - Development Management, Building	<ul style="list-style-type: none"> £6.31m loss 	4	4	16		3	4	12	3	4	12

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
<u>Control, Car Parks & On-Street Parking</u> <ul style="list-style-type: none"> • Volatile activity levels and economic conditions which then effect other markers, such as housing. • Competition from commercial organisations • Central government directives • Legislative constraints 	<ul style="list-style-type: none"> • 10% reduction would be £631k 				<ul style="list-style-type: none"> • Annual review of all fees & charges as part of the budget process. • Current year income is above target. • Financial monitoring and reports. • Car parking Budgets are increased by at least 5% to return to pre-COVID levels. 						
<u>Partnership working and partner contributions.</u> <ul style="list-style-type: none"> • Partnerships not meeting agreed targets. • Agreed funding not received by SDC. • Partnerships ending. 	<ul style="list-style-type: none"> • £1.2m • Impact on individual projects is high. 	3	2	6	<ul style="list-style-type: none"> • Separate accounting arrangements. • Active liaison with partners on service arrangements. • Written partnership agreements. Partnership arrangements are monitored to ensure they are still appropriate. 	2	2	4	2	2	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
5) External Funding Awards <ul style="list-style-type: none"> In the 24/25 budget 21.93 FTE are externally funded 	<ul style="list-style-type: none"> £1.0m cost funded Impact on individual projects is high 	3	2	6	<ul style="list-style-type: none"> Exit Strategies in place. 	3	1	3	3	1	3
6) Changes in service demand <ul style="list-style-type: none"> Impacts will vary depending on service. 	<ul style="list-style-type: none"> N/A 	-	-	-	<ul style="list-style-type: none"> Service planning in place Continue to lobby Government where changes are due to new Gov't requirements. 	-	-	-	-	-	-
7) 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 £0.532m 24/25 budget £167k per 1.0%. 	4	2	8	<ul style="list-style-type: none"> Use of professional advisers. Internal borrowing used for capital investment projects reduces the balances available to invest which in turn less bank interest earned. 	3	2	6	3	2	6

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
					<ul style="list-style-type: none"> Implementation of new investment vehicles to maximise returns. 						
8) <u>Investments</u> <ul style="list-style-type: none"> Financial institutions going into administration. Lower balances to invest. Capital reduction on initial investment 	<ul style="list-style-type: none"> £12m invested at Nov 2023 £5m in Multi-Asset Income Funds (MAIF) 	2	5	10	<ul style="list-style-type: none"> Investment strategy regularly reviewed by FIAC. Use of professional advisers. Regular reporting in line with CIPFA guidance. 5 year investment to mitigate peaks & troughs. 	1	5	5	1	5	5
9) <u>Government Support: Revenue Support Grant</u>	£0 since 2021/22 revenue budget	-	-	-	<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. 	-	-	-	-	-	-

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
10) Government Support: <u>Retained Business Rates</u> <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. Central government intends to introduce business rate review but timeline uncertain. 	<ul style="list-style-type: none"> £2.9m in 2024/25 £29k 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	2	10	5	2	10
11) Council tax Referendum limits <ul style="list-style-type: none"> Council tax increases limited budgeted at 2.99% per the Provisional Settlement. 	<ul style="list-style-type: none"> £12.8m Council Tax income in 24/25 £128k per 1% Government controls on changes in council tax rates 	4	4	16	<ul style="list-style-type: none"> Draft 10-year budget includes council tax increase assumptions for future years. 	4	3	12	4	3	12

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
12) <u>Future Service Changes by Government</u> <ul style="list-style-type: none"> Additional services without consequent resources, e.g. previous examples include Maint. of trees on common land. Government directives on income charging e.g. Land Charges 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	3	3	9
13) <u>Utility costs incl. Direct Services</u> <ul style="list-style-type: none"> Changes in global oil, gas and electricity prices. 	<ul style="list-style-type: none"> 10% increase would be £75k 	5	2	10	<ul style="list-style-type: none"> Negotiate best possible terms in contractual agreements. Continue to monitor fuel usage and efficiency. Vehicle replacement programme. 	5	1	5	5	1	5
14) <u>Capital Programme</u>		4	3	12		3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - <i>Failure to deliver a balanced budget.</i> Lead Officer: Adrian Rowbotham & Alan Mitchell											
<ul style="list-style-type: none"> Delivering viable scheme within budget Funding the capital programme 	<ul style="list-style-type: none"> Schemes are no longer viable due to construction costs. Capital schemes are not undertaken. 				<ul style="list-style-type: none"> Extensive due diligence. Funding identified before scheme commences. Risk register for all major capital schemes. 3 year rolling programme approved each year 						

Local Council Tax Reduction Scheme 2024/25

Summary

- 1 To recommend the rolling forward of the Local Council Tax Reduction Scheme 2023/24, effective from 1 April 2024.

Background and discussions

- 2 The Council is required to approve a local scheme of support for council tax each year and this has to been done by 11 March of the preceding financial year. The local scheme was therefore updated for 2023/24 on 21 February 2023. It is now recommended that the scheme approved for 2023/24 be rolled forward to 2024/25, with effect from 1 April 2024.
- 3 This scheme provides protection for pensioners in line with the Government's decision that pensioners would see no reduction in their entitlement from that under the old council tax benefit rules. It also reduces the entitlement of working age claimants by 20%.
- 4 The award of council tax reduction is by way of a discount which reduces the amount of council tax collected. Most of this reduction is borne by the major preceptors, with the Council suffering a reduction of approximately 12% of the total.

Financial Implications

- 5 The annual cost of the current CTRS is £7.182m of which £4.144m relates to working-age claimants. A large proportion of this cost is borne by the major preceptors.

Legal Implications

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

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