

02 November 2023 at 7.00 pm
Council Chamber, Argyle Road, Sevenoaks

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Finance & Investment Advisory Committee

Membership:

Chairman, Cllr. Grint; Vice-Chairman, Cllr. Maskell
Cllrs. Bayley, Clayton, Hogarth, Kitchener, Lindop, Malone, James Morgan, Scott,
Silander and Williams

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 5 September 2023 , as a correct record.	(Pages 1 - 8)	
2. Declarations of Interest Any interests not already registered.		
3. Actions from Previous Meeting	(Pages 9 - 10)	
4. Update from Portfolio Holder		
5. Referral from Cabinet or the Audit Committee (if any)		
6. Treasury Management Mid-Year Update 2023/24	(Pages 11 - 34)	Jessica Booth Tel: 01732227436
7. Financial Monitoring 2023/24 - To the End of September 2023	(Pages 35 - 72)	Alan Mitchell Tel: 01732227483 Adrian Rowbotham Tel: 01732 227153
8. Financial Performance Indicators 2023/24 - To the End of September 2023	(Pages 73 - 80)	Alan Mitchell, Tel: 01732227483,

Adrian Rowbotham
Tel: 01732 227153

9. **Budget 2024/25: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)** (Pages 81 - 114) Adrian Rowbotham
Tel: 01732 227153
Alan Mitchell,
Tel: 01732227483
10. **Work Plan** (Pages 115 - 116)

EXEMPT INFORMATION

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

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

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

FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 5 September 2023 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Maskell (Vice- Chairman)

Cllrs. Bayley, Clayton, Hogarth, Kitchener, Lindop, Malone, James Morgan, Scott and Silander

An apology for absence was received from Cllr. Williams

Cllr. Skinner was also present.

Cllr. Dyball was in attendance via a virtual media platform, which did not constitute attendance as recognised by the Local Government Act 1972.

13. Minutes

Resolved: That the Minutes of the meeting of the Finance and Investment Advisory Committee held on 19 June 2023, be agreed and signed by the Chairman as a correct record.

14. Declarations of Interest

Cllr. Morgan declared for Minute 24 - Farmstead Drive, Spitals Cross, Edenbridge - Development that he was the Local Member.

Cllr. Grint declared for Minute 23 - Disposal of Land - Tranche 2 in relation to land at Clarks Lane, Halstead that he was the Local Member.

Cllr. Silander declared for Minute 23 - Disposal of Land - Tranche 2 in relation to land at Forstall, Leigh that he was the Local Member.

15. Actions from Previous Meeting

Members noted the completed action.

16. Update from Portfolio Holder

The Portfolio Holder – Finance and Investment gave an update to the Committee. Since the last Committee meeting, he had been in budget discussions with Officers, the Chief Executive and the Leader and received regular updates on the financial position. He had been involved in discussions regarding assets and disposal proposals

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to be brought forward to Members. In addition, he had attended a consultation event with the Department for Levelling Up, Housing and Communities (DLUHC) concerning the restructuring and timings for Local Authority Audits. Proposals included ensuring that National Local Authority Auditing processes were uniform and completed in a timely manner.

He reported that he had visited TopHat which was a provider of 280 Modular Homes at Kitchener Barracks in Chatham. The company would be delivering 61 homes at the Council's White Oak Residential development, subject to the scheme receiving planning consent.

In response to questions, he explained he had engaged in constructive discussions with Officers and representatives from TopHat regarding the financial feasibility of their modular home construction project.

17. Referral from Cabinet or the Audit Committee

There were none.

18. Treasury Management Annual Report 2022/23

The Senior Principal Accountant presented the report and associated appendices, which provided a review of investment and borrowing activity from 2022/23. She explained that the Council had taken a cautious approach to investing over the past year. During 2022/23, the Council maintained an underborrowed position. In addition, due to rising interest rates, investment receipts were higher than budgeted for the year.

She updated the Committee on minor typographical errors in paragraph 2 of the report, which should be corrected to include that an annual treasury strategy in advance of the year was submitted to Council on February 22, 2022. A mid-year (minimum) treasury update report was presented to Cabinet on November 10, 2022. She also explained that there had been alterations to the figures in the report to reflect that the maximum gross borrowing position hadn't incorporated the addition of temporary cash flow borrowing at year-end. The total investment also included a £3 million investment that had matured. This had an effect on changes to figures as follows (all figures in £000):

- In the table in paragraph 7, for 31/03/2023 actual Capital expenditure financed in the year should be corrected to £9,631 and unfinanced capital expenditure for 31/03/2023 actual should be corrected to £2,986;
- In the table in paragraph 15 for 31/03/2023 actual: Gross borrowing position should be corrected to £13,798 and Over/ (under) funding of CFR for 31/03/2023 should be corrected to £37,520;
- In the table in paragraph 18, the maximum gross borrowing position during the year 2022/23 should be corrected to £13,798;

- In the table in paragraph 19, Total debt for 31/03/23 Principal should be corrected to £13,798 and Over/(under) borrowing for 31/03/23 Principal should be corrected to £37,520 and Total investments for 31/03/23 Principal should read as £7,929 and net debt/investments for 31/03/23 Principal should be corrected to £5,869;
- In the table in paragraph 21, The maturity structure of debt under 12 months for 31/03/2023 Actual should be corrected to £1,500.

Members considered the report and requested that up-to-date information on rates that were being achieved on investments be circulated to the Committee.

Action: For Officers to circulate up-to-date information to the Committee on rates that were being achieved on investments.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the Treasury Management Annual Report for 2022/23 be approved.

19. Financial Monitoring 2023/24 - to the end of July 2023

The Head of Finance presented the report and associated appendices, which presented the financial position of the authority and the forecast to March 2024. The Committee were advised that as of the end of July 2023, the position was a forecast year-end unfavourable variance of 8.03%, or £1.489 million, against a net revenue budget of £18.765 million.

He informed Members that the interim leisure contract was showing an unfavourable forecast of £1.338 million, but as agreed by Members at Council in April 2023, this was part of the approved £1.83 million budget over two years. A report would be brought to the next People and Places Advisory Committee regarding the future plans and position of the interim leisure operator.

Members discussed the report.

Public Sector Equality Duty

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

Resolved: That the report be noted.

20. Financial Performance Indicators 2023/24 - to the end of July 2023

The Head of Finance presented the report and appendix in the supplementary agenda, which detailed the internally set performance indicators as of the end of July

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2023. It was explained that the housing benefit indicators were showing as red because the team had faced staff sickness but was working on bringing these back into target. Members were also informed the indicators were calculated over calendar days.

Public Sector Equality Duty

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

Resolved: That the report be noted.

21. Financial Prospects and Budget Strategy 2024/25 and Beyond

The Portfolio Holder - Finance and Investment, presented the report and associated appendices, which was the first report of the Council's budget-setting process for 2024/25 onwards. It set out the financial pressures the Council was likely to face in the coming years and suggested an appropriate strategy, utilising the 10-year budget framework, which had proved successful to date and put the Council in a much stronger financial position than most other Councils. He explained that the 2024/25 budget setting process was likely to be undertaken during the most challenging financial position the Council had faced for a decade, and Members would be required to play a major role in reaching a successful outcome by putting forward their ideas.

The Chief Officer - Finance and Trading, informed Members that the Council faced an annual budget gap of £1.368 million and that there was an annual savings assumption of £100,000 included in the budget for 2024/25. As a result, Officers had begun the budget-setting process earlier this year. He explained that many of the reasons for the budget gap were raised with Members as part of the 2023/24 budget setting process, and they continued to impact the finances of the council. Growth and savings proposals were to be presented to the Advisory Committees and Cabinet, and Members would be fully engaged in this process. The recommendations would be considered as part of the process to tackle the budget gap. He then detailed the budget-setting timetable for the 2024/25 year.

Members discussed the report and took the opportunity to ask questions that focused around areas for savings, and the impact of the pay award on this year's budget setting process. The Chief Officer - Finance and Trading explained that the Council was undertaking a thorough review of fees and charges this year. In addition, at the time of writing the report, the pay award offer for 2023/24 was an average increase of 5.7% which was significantly higher than the budget assumption of 2%. The Council's budget setting process would continue on this assumption. This was a significant risk but further consideration would be given to the pay award if necessary once an agreement was reached.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that

- (a) the financial planning approach and principles set out in the report be endorsed;
- (b) the Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and Savings options; and
- (c) officers be requested to continue to review the assumptions as detailed within the report and consider options to address the budget gap and report back to Cabinet on 14 December 2023.

22. Work Plan

The work plan was noted.

23. Disposal of Land - Tranche 2

The Senior Estate Surveyor presented the report along with the exempted appendix, which highlighted two Council-owned parcels of land that had been identified as no longer required by the Council. The sites were located at the Forstall, Leigh, and Land to the rear of 42 Clarks Lane, Halstead. Members were asked to endorse the recommendation to declare these sites surplus and approve the disposal of land by auction or private treaty. The Council had sought independent valuation advice, which was set out in the exempted appendix.

Members asked questions of clarification from officers and discussed the need for affordable housing and the best disposal for the land at Halstead. The Senior Estate Surveyor explained that since writing the report, an adjacent developer had been granted permission for 10 affordable homes on the land behind the Council site. She reported that the Council had considered whether the Council owned site should be developed for additional affordable housing. However, various parties had shown interest in the site; therefore, it was considered fairer to place it in an auction.

She confirmed that, as set out in the report, the disposal of local authority land was legislated by the Local Government Act 1972. Among other key requirements, this legislation placed an obligation on the Council to seek the best consideration for disposing of the land. If there was a strong and compelling reason, the Council could also consider whether to transfer the land to another organisation at less than best consideration, such as the Parish Council. She advised that disposal provided an opportunity to obtain capital receipts and mitigate risks. Following queries Officers

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also explained that conditions for the development of affordable housing on the site could be imposed upon disposal if necessary.

In response to queries regarding the land at Forstall, Leigh, The Strategic Head of Property and Commercial confirmed that the land at Leigh was not designated as an asset of community value and that no nomination had been received by the Council. He explained the process for nominating land, which could allow the local community to submit a bid for the site to be considered by the Council.

Members debated the recommendations and expressed initial concern at the sites being marked as surplus to the Council's requirement.

Members further discussed the report, asking additional questions of clarification and gave consideration to the potential community value of the sites and the need for affordable housing and further discussed the alternative options for the disposal of the sites. The Committee agreed that the respective Parish Councils should be consulted for the best alternative use before any disposal of land was undertaken.

Public Sector Equality Duty

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

In summing up the discussion, the Chairman advised that he perceived the Committee believed there was danger of the land being disposed of, against the wishes of the local community and therefore there should be some preliminary discussion between the District Council and the local Parish Councils about the future of the land. The Committee was prepared to say that there needed to be discussions, which resulted in being content for the land being surplus to the District Council's requirements.

The Chairman moved that it be recommended to Cabinet that the properties were surplus to the Council's requirements, but before any steps were taken to dispose of the land there needed to be discussions with the Parish Councils and it was

Resolved: That it be recommended to Cabinet that

- a) the land at the Forstall, Leigh and land at Clarks Lane, Halstead be declared as surplus to the Council's requirements; and
- b) before any steps be taken to dispose of the land by any means, there should be discussions between District Council and the Parish Councils.

*Cllr. Hogarth requested that his abstention from voting be recorded.

24. Farmstead Drive, Spitals Cross, Edenbridge - Development

The Regeneration Development Project Manager presented the report and associated appendices which set out the Council's development plans at Farmstead Drive, Edenbridge. It was highlighted that during the intervening period since options appraisals were finalised and approval for the scheme was previously granted back in November 2021, there has been global economic and market events which have had a significant impact on the scheme's finances. As a result of increases to interest rates, construction and material costs and the revised scheme design the initial budget required had increased. Members were asked to endorse the recommendations and the increased budget to Cabinet and Council. He informed the Committee that additional funding of £375,000 had been secured from the Brownfield Land Release Fund and planning permission had been granted on 17th August of this year, subject to the completion of the necessary s106 agreement and in accordance with the relevant planning conditions. Members were also advised that Quercus Housing were considering whether to purchase two units on the site for affordable housing use.

Members were advised that the scheme would provide a community and economic benefit led redevelopment that would contribute to the economic, social and environmental well-being of the area. It was important to note that the Council were able to successfully negotiate a fixed works lump sum price from the contractor, so the cost plan had a very high degree of cost certainty.

Members took the opportunity to ask questions of the Officers, which focused on the financial viability of the scheme. In response to a question Members were informed that projected property values were supported by independent valuation reports and extensive survey work had been carried out with the contractor. In response to a further question Members were also informed that Officers were satisfied as to the financial stability of the contractor, Oakwood.

The Committee discussed the report and agreed that the project was at best only marginally viable, and then only on the assumption of a 5% growth in property values. When looked at in purely financial terms, therefore, the financial rationale for the project was weak. It was recognised, however, that there were significant social and community benefits to the project, which were beyond the scope of the Committee to evaluate. The Committee agreed that Cabinet should assess whether the social and community benefits outweighed the weakness of the purely financial evaluation.

Public Sector Equality Duty

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

The Chairman moved the recommendations contained within the report subject to the amendment that Cabinet notes the scheme remained only marginally viable in

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purely financial terms and Cabinet assesses whether the social & community benefits of the project outweigh the weakness of the purely financial evaluation and it was

Resolved: That it be recommended to Cabinet that

- (a) the impacts on the project budget outlined in the report, including; recent global events and economic pressures impacting regeneration and construction and changes to the scheme design, including the provision of fewer homes, additional parking, open space improvements and community facilities as a result of feedback from the public consultation be noted; and
- (b) the scheme remained only marginally viable in purely financial terms, be noted; and
- (c) the social & community benefits of the project, be assessed to consider whether it outweighed the weakness of the purely financial evaluation; and
- (d) subject to approval of recommendation (f) by Council and planning approval being obtained, authority be delegated to the Strategic Head of Property and Commercial following consultation with the Chief Officer - Finance and Trading and the Head of Legal Services to enter into any necessary contracts to facilitate the development and construction of the proposed scheme in accordance with the Council's Contracts Procedure Rules and for the disposal of the residential and commercial units; and
- (e) the development sites as outlined red in the Plan (Appendix D) for planning purposes be appropriated in accordance with the section 122 of the Local Government Act 1972 (in reliance on section 227 of the Town and Country Planning Act 1990) consequentially facilitating the Council's powers under sections 203 to 206 of the Housing & Planning Act 2016 to override any outstanding interests be approved;
- (f) that it be recommended to Council that an increase to the total project budget by £2,741,785 to £10,351,405 be approved and the Capital Programme be amended accordingly;

THE MEETING WAS CONCLUDED AT 9.39 PM

CHAIRMAN

Action(s) from the meeting held on 05 September 2023 (as at 25/09/2023)

Action	Description	Status	Contact Officer
Action	Action: For Officers to circulate up-to-date information to the Committee on rates that were being achieved on investments	The Committee was updated via email 25/09/23.	Jessica Booth Ext: 7436

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TREASURY MANAGEMENT MID-YEAR UPDATE 2023/24

Finance & Investment Advisory Committee – 2 November 2023

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

Status: For Decision

Also considered by:

- Cabinet – 9 November 2023

Key Decision: No

Executive Summary: This report gives details of treasury activity in the first half of the current financial year, recent developments in the financial markets and fulfils the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

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

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer: Jessica Booth, Ext. 7436

Recommendation to Finance & Investment Advisory Committee:

That Cabinet be asked to note the Treasury Management Mid-Year Update for 2023/24.

Recommendation to Cabinet:

It be RESOLVED that the Treasury Management Mid-Year Update for 2023/24 be noted.

Reason for recommendation: As required by both the the Council's Financial Procedure Rules and the CIPFA Code, a mid-year report of treasury management activity is to be presented to Members for approval.

Introduction and Background

Capital Strategy

- 1 In December 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following:
 - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed; and

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- the implications for future financial stability.

Treasury Management

- 2 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested with approved counterparties, providing adequate liquidity initially before considering optimising investment return.
- 3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending requirements. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 4 Accordingly, treasury management is defined as:
"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Introduction

- 5 This report has been written in accordance with the requirement of the CIPFA Code of Practice on Treasury management (revised 2021.) The primary requirements of the Code are as follows:
 - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the full Council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a Mid-year Review Report and an Annual Report, covering activities during the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Finance & Investment Advisory Committee.
- 6 This mid-year management report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management and covers the following:

- An economic update for the first half of the 2023/24 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2023/24
- A review of the Council's borrowing strategy for 2023/24
- A review of any debt rescheduling undertaken in 2023/24
- A review of compliance with Treasury and Prudential Limits for 2023/24

Economic Update

7 The first half of 2023/24 saw;

- Interest rates rise by a further 100 basis points (bps), taking Bank Rate from 4.25% to 5.25%.
- Short, medium and long-dated gilts remained elevated as inflation continually surprised to the upside.
- A 0.5% decline in real Gross Domestic Product (GDP) in July, mainly due to more strikes.
- Core Consumer Price Inflation (CPI) inflation declining to 6.2% in August 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 (3myy) growth of average earnings rose to 7.8% in August, excluding bonuses).

8 The 0.5% month on month (m/m) fall in GDP in July 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 days) than in June (160,000 days). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

9 The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 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 0.2% quarter on quarter (q/q) rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.

10 The 0.4% 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.

11 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

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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.

- 12 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 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 close 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.
- 13 But the cooling in labour market conditions still has not fed through to an easing in wage growth. Whilst the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4 (revised up from 8.2%) to 8.5%, which meant the UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth has eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- 14 CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the official forecast of 7.2% the Bank of England published in early August.
- 15 In its latest monetary meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPS members (Bailey,

Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike,

- 16 Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said that if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further rates increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- 17 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 at the next meeting on 2nd November, or even pause in November and raise rates in December.
- 18 The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A mild recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher employment/lower wage increases).
- 19 The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, and the Bank of England called an end to its hiking cycle.
- 20 The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100’s relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Interest Rate Forecasts

- 21 The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20bps) which has been accessible to most authorities since 1st November 2012.
- 22 The latest forecast released on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while as the Bank of England seeks to squeeze inflation out of the economy.

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Link Group Interest Rate View	25.09.23												
	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	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

Treasury Management Strategy Statement and Annual Investment Strategy Update

23 The Treasury Management Strategy (TMSS) for 2023/24 was approved by Council on 21 February 2023. There are no policy changes to the TMSS thus the details in the report update the position in light of the updated economic position.

The Council's Capital Position (Prudential Indicators)

24 This part of the report is structured to update;

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

25 This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital expenditure by Directorate	2023/24 Original Budget £m	Current Position £m	2023/24 Revised Budget £m
People and Places	30.340	4.770	30.340
Finance and Trading	1.830	1.443	2.917
Total	32.170	6.213	33.092

The increase in Finance and Trading is due to carry forwards relating to the Operational Development Programme.

Changes to the Financing of the Capital Programme

26 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2023/24 Original Estimate £m	2023/24 Revised Estimate £m
Total capital expenditure	32.17	33.092
Financed by:		
Capital receipts	0.188	4.438
Capital grants	1.128	1.456
Capital reserves	0.582	1.176
Mixed funding	4.250	4.250
Total Financing	6.1448	7.070
Borrowing requirement	26.022	26.022

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Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

27 The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

	2023/24 Original Estimate £m	2023/24 Revised Estimate £m
CFR	76.709	76.709
Net movement in CFR	25.391	25.391
Operational Boundary		
Borrowing	40.000	40.000
Other long term liabilities*	2.275	2.275
Total debt (year end position)	42.275	42.275

28 A further prudential indicator controls the overall level of borrowing. This is the **Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	2023/24 Original Estimate £m	Current Position £m	2023/24 Revised Estimate £m
Authorised Limit			
Borrowing	45.000	12.394	45.000
Other long term liabilities*	2.275	2.275	2.275
Total debt	47.275	14.808	47.257
CFR* (year end position)	76.709		76.709

Borrowing

29 The Council's capital financing requirement (CFR) for 2023/24 is £76.709m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The tables above show the Council has borrowings of £12.394m and has utilised cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach

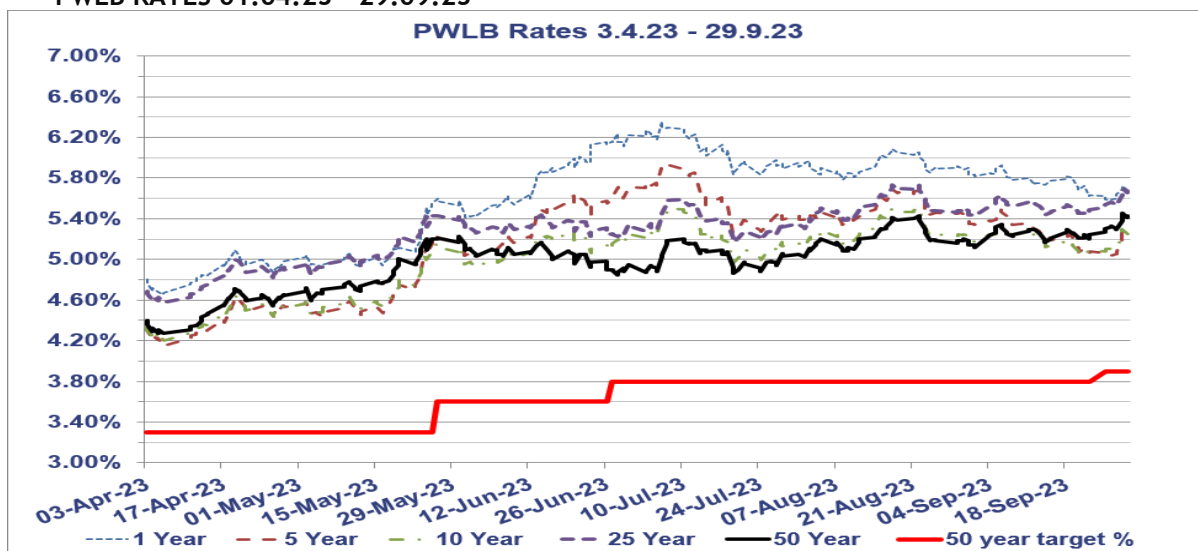
in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.

- 30 Despite the overall financial position and the underlying need to borrow for capital purposes (the CFR), no new external borrowing has been undertaken. The capital programme is being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.
- 31 It is anticipated that further borrowing will be undertaken during this financial year subject to the progression of the Capital Programme.

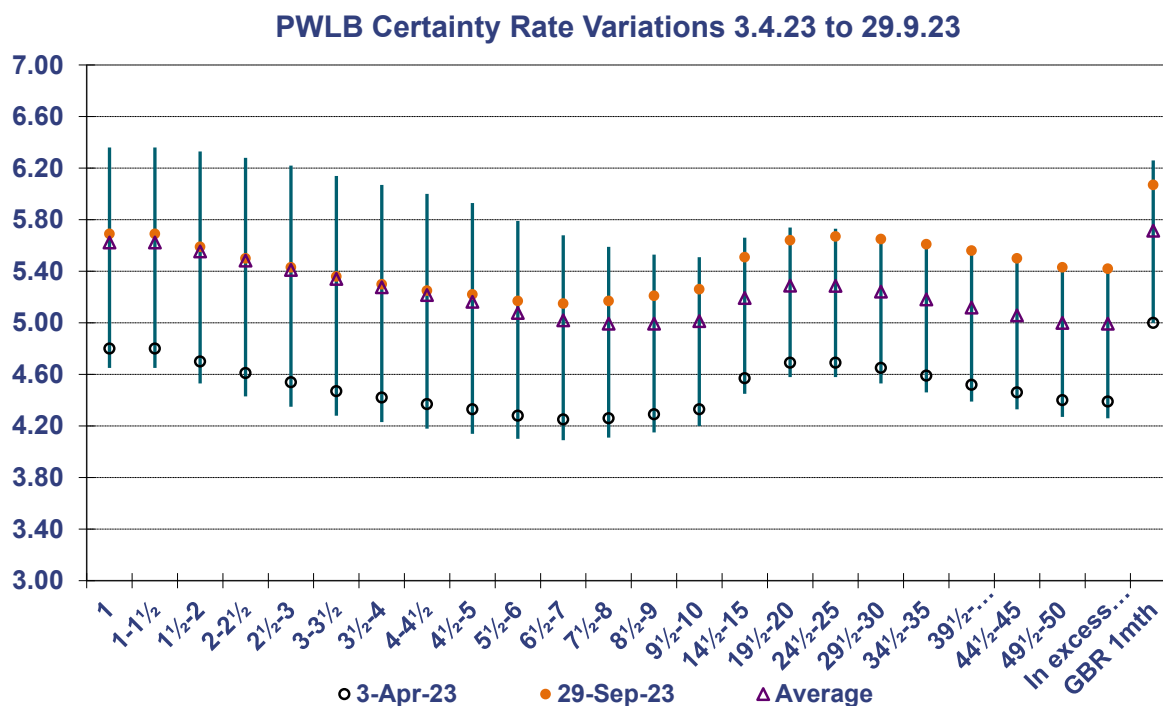
PWLB maturity certainty rates (gilts plus 80bps) year to date to 29th September 2023

- 32 Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%.
- 33 July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5th April but rose to 5.45% on 28th September.
- 34 We forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and we forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.

PWLB RATES 01.04.23 - 29.09.23



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HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	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%

35 The current PWLB rates are set as margins over gilt yields as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate (GF)** is gilt plus 80 basis points (G+80bps)
- **PWLB Local Infrastructure Rate** is gilt plus 60 basis points (G+60bps)
- **PWLB Certainty Rate (HRA)** is gilt plus 40bps (G+40bps)

36 The **UK Infrastructure Bank** will lend to local authorities that meet its scheme criteria at a rate currently set at gilt plus 40bps (G+40bps).

Debt Rescheduling

37 Debt rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

Compliance with Treasury and Prudential Limits

- 38 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Deputy Chief Executive and Chief Officer - Finance & Trading reports that no difficulties are envisaged for the current or future years in complying with these indicators.
- 39 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

Annual Investment Strategy

40 The Treasury management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 21st February 2023. In accordance with the CIPFA Treasury Management Code of Practice, it set out the Council's investment priorities as being;

- Security of capital
- Liquidity
- Yield

41 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit quality financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

42 Following the Government's fiscal event on 23rd September 2022, both S&P and Fitch placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and a challenging economic outlook. Nothing further has evolved in the first half of 2023/24.

CDS Prices

43 It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

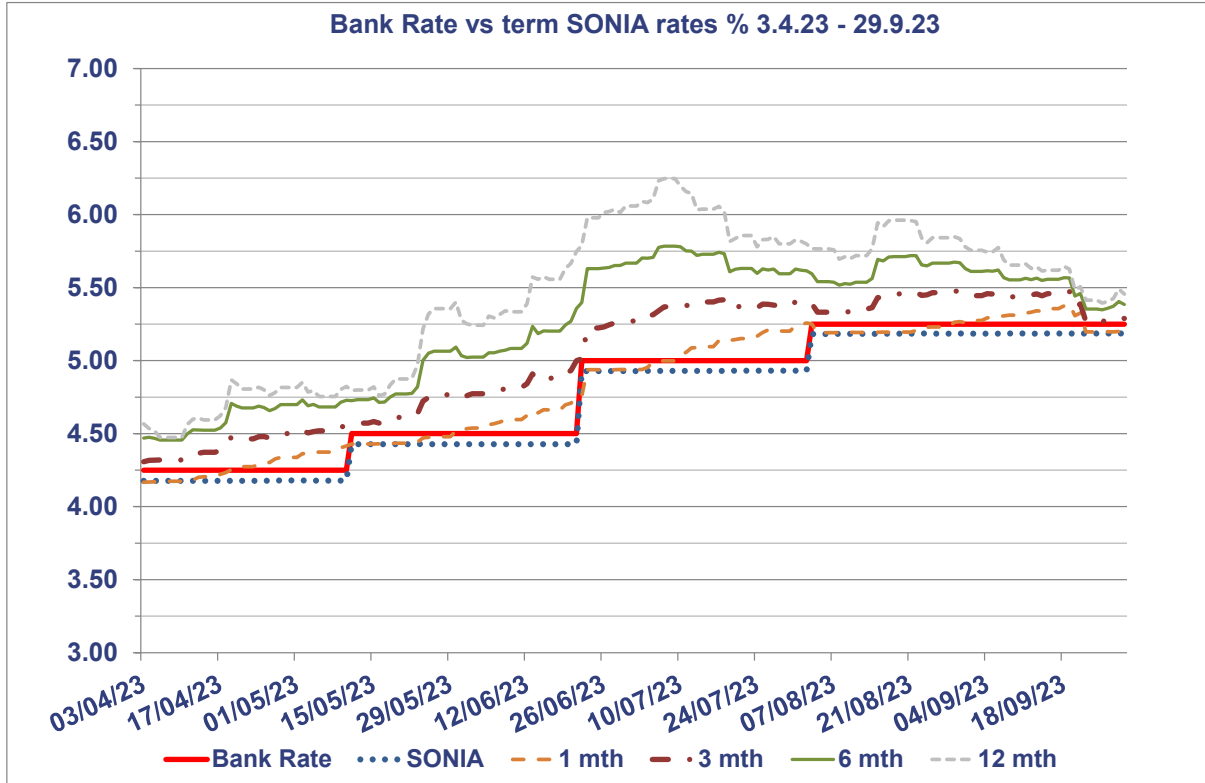
Investment Balances

44 The average level of funds available for investment purposes during the first half of the financial year was £15.88m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council

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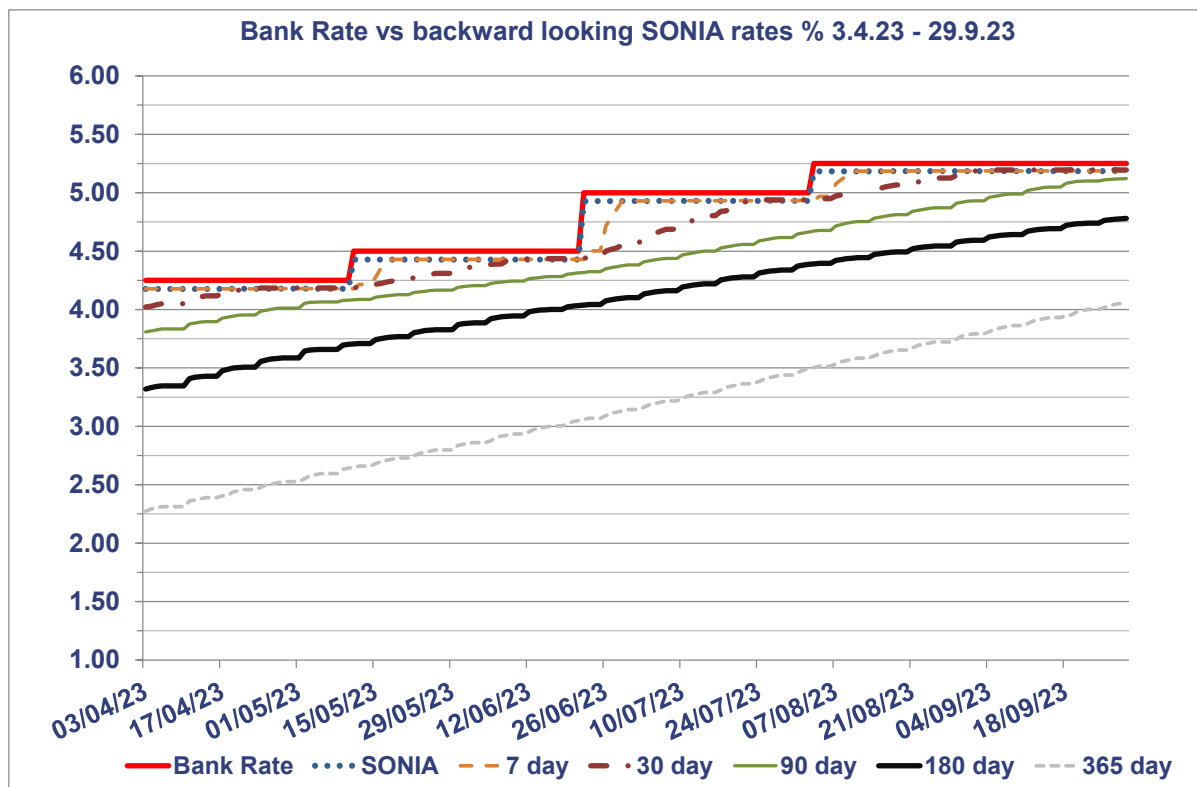
holds £5m core cash balances for investment purposes (i.e funds available for more than 1 year), which are currently invested in the Multi Asset Income Funds.

Investment performance year to date as of 29th September 2023



	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	5.25	5.19	5.39	5.48	5.78	6.25
High Date	03/08/2023	29/09/2023	19/09/2023	30/08/2023	07/07/2023	07/07/2023
Low	4.25	4.18	4.17	4.31	4.46	4.47
Low Date	03/04/2023	04/04/2023	03/04/2023	03/04/2023	06/04/2023	06/04/2023
Average	4.81	4.74	4.83	5.03	5.26	5.45
Spread	1.00	1.01	1.22	1.17	1.33	1.77

The table above covers the first half of 2023/24.



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.12	4.78	4.06
High Date	03/08/2023	29/09/2023	04/09/2023	27/09/2023	29/09/2023	29/09/2023	29/09/2023
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	4.81	4.74	4.71	4.64	4.44	4.10	3.16
Spread	1.00	1.01	1.01	1.17	1.31	1.46	1.79

The table above covers the first half of 2023/24.

45 The Council's budgeted investment return for 2023/24 is £288,000, and performance for the year to date is £293,000 above budget.

46 The Council held £15.919m of investments as at 30th September 2023 (£16.586m at 31 March 2023) and the investment portfolio yield for the first six months of the year is 5.064% against 7 Day and 3 Month SONIA benchmarks of 4.7117% and 4.4450% respectively. A full list of investments held as at 30th September 2023 appears in Appendix A.

Fund Investments

47 In May 2022 the Council invested £5m into Multi-Asset Income Funds (MAIFs). These are 5 year investments and the amount invested can be subject to changes in valuation of the principal, which may result in a capital loss or capital gain. The current performance is shown in the table below.

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Fund Name	Principal Invested £m	Current Valuation £m	Interest Received to 30 September 2023 £m
Aegon Asset Management	2.500	2.272	0.0773
Artemis	2.500	2.314	0.0626
Total	5.000	4.586	0.1399

Approved limits

48 Officers can confirm that the approved limits within the annual investment strategy were not breached during the period ended 30th September 2023.

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 annual mid-year review 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. However, this particular report has no specific risk implications as it is not proposing any new actions, but merely reporting performance over the last six months.

Equality

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 (compulsory heading – do not delete)

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

Conclusions

The overall return on the Council's investments up to the end of September 2023 is above budget and the over-recovery is forecast to increase further by the end of the financial year.

The percentage yield on the portfolio is 5.00%, however, as previously noted, inflation has historically outpaced investment returns and attempts are being made to address this.

The economic situation both globally and within the Eurozone remains volatile, and this will have consequences for the UK economy. Treasury management in the current and recent financial years has been conducted against this background and with a cautious investment approach.

Appendices

Appendix A – Investment Portfolio at 30th September 2023

Appendix B – Investment returns vs RPI/CPI

Appendix C – Approved Countries for Investment

Appendix D – The Liability Benchmark

Background Papers

[Treasury Management Strategy for 2023-24 - Council 21 February 2023](#)

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

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

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker	Status
Treasury Investments												
	Barclays Bank plc (Business Premium A/C)	A+	U.K.		519,000	01-Oct-11		31-Mar-24	0.20000%	Variable	Direct	Current
	Svenska Handelsbanken AB (Deposit A/C)	AA	Sweden		0	23-Jul-14		31-Mar-24	0.00000%	Variable	Direct	Current
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA	Sweden		0	01-Sep-16		31-Mar-24	0.24000%	Variable	Direct	Current
	Aberdeen Standard Liquidity Fund (Money Market Fund)	AAA	U.K.		4,000,000	11-May-12		31-Mar-24		Variable	Direct	Current
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		100,000	11-May-12		31-Mar-24		Variable	Direct	Current
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		1,300,000	13-Oct-16		31-Mar-24		Variable	Direct	Current
	CCLA Public Sector Deposit Fund (Money Market Fund)	AAA	U.K.		5,000,000	08-Oct-18		31-Mar-24		Variable	Direct	Current
	Total Invested				<u>10,919,000</u>							
Multi Asset Income Funds												
	Artemis Fund Managers Ltd		U.K.		2,500,000	16-May-22					Direct	Current
	Aegon Asset Management UK PLC		U.K.		2,500,000	20-May-22					Direct	Current
	Total Invested				<u>5,000,000</u>							
	Total Funds Invested				<u>15,919,000</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				4,118,494		4.69000%					
	Quercus 7 Limited - Working capital loan				242,500		2.75000%					
	Quercus Housing Limited - Working capital loan				82,500		2.75000%					

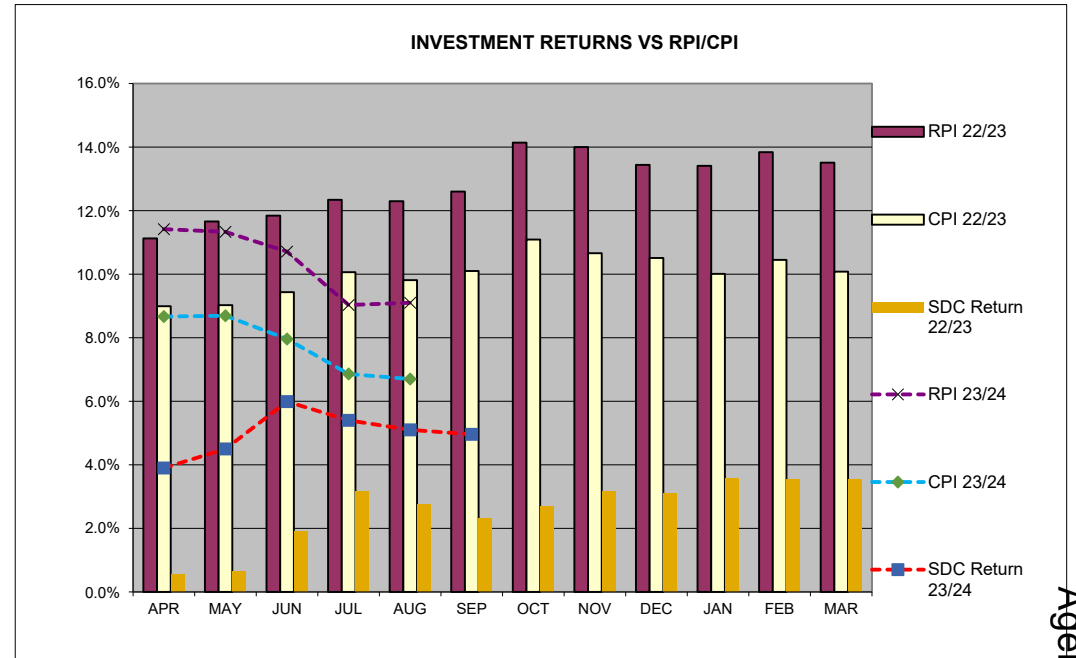
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Appendix B

INVESTMENT RETURNS VS RPI/CPI

APPENDIX B

	RPI 22/23	CPI 22/23	SDC Return 22/23	RPI 23/24	CPI 23/24	SDC Return 23/24
APR	11.1%	9.0%	0.5%	11.4%	8.7%	3.9%
MAY	11.7%	9.0%	0.7%	11.3%	8.7%	4.5%
JUN	11.8%	9.4%	1.9%	10.7%	8.0%	6.0%
JUL	12.3%	10.1%	3.2%	9.0%	6.9%	5.4%
AUG	12.3%	9.8%	2.8%	9.1%	6.7%	5.1%
SEP	12.6%	10.1%	2.3%			5.0%
OCT	14.1%	11.1%	2.7%			
NOV	14.0%	10.7%	3.2%			
DEC	13.4%	10.5%	3.1%			
JAN	13.4%	10.0%	3.6%			
FEB	13.8%	10.5%	3.5%			
MAR	13.5%	10.1%	3.5%			



N.B. RPI/CPI data is not available until around the 20th of the following month

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Approved Countries for Investments as of 30th September 2023

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 (downgraded by Fitch on 9th May 2023)
- Qatar
- U.K.

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APPENDIX D - Liability Benchmark

	£'000	£'000	£'000	£'000	£'000
	Opening Balance	1	2	3	4
Financial Year End	2021	2022	2023	2024	2025
PWLB Loans	£4,892	£12,766	£12,394	£34,986	£48,228
Market Loans (excl LOBO loans)					
LOBO Loans					
Short Term inc LA Temporary Borrowing (<1 year)					
Variable rate loans					
Existing Loan Debt Outstanding	£4,892	£12,766	£12,394	£34,986	£48,228
Opening Loan Debt	£4,892				
Less: opening treasury investments	-£16,673				
Plus: planned prudential borrowing	£8,000	£0	£26,022	£13,729	£2,419
Less: MRP & Capital Receipts set aside	-£286	-£625	-£631	-£637	-£643
+/- other forecast cashflows					
Net Loans Requirement (forecast net loan debt)	-£4,067	-£4,692	£20,699	£33,791	£35,567
Opening Loans CFR					
Plus: planned Prudential Borrowing		£0	£26,022	£13,729	£2,419
Less: MRP & Capital Receipts set aside		-£625	-£631	-£637	-£643
Loans CFR	£0	-£625	£24,766	£37,858	£39,634
Liquidity allowance above net debt (liquidity buffer)	£16,000	£16,000	£16,000	£16,000	£16,000
Liability Benchmark (Gross Loans Requirement)	£11,933	£11,308	£36,699	£49,791	£51,567
Forecast Investments	£16,000	£16,000	£16,000	£16,000	£16,000
(Over)/Under Liability Benchmark	£7,041	-£1,458	£24,305	£14,805	£3,339

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FINANCIAL MONITORING 2023/24: TO THE END OF SEPTEMBER 2023

Finance and Investment Advisory Committee – 2 November 2023

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

Status: For Consideration

Also considered by:

- Cabinet - 14 December 2023

Key Decision: No

Executive Summary: This report provides information on the current Financial position of the authority and the forecast to March 2024.

This report supports the Key Aim of: Effective Management of Council Resources

Portfolio Holder: Cllr. Kevin Maskell

Contact Officers: Alan Mitchell, Ext. 7483

Adrian Rowbotham, Ext. 7153

Recommendation to Finance and Investment Advisory Committee:

- (a) To note this report and forward any comments to Cabinet.

Recommendation to Cabinet:

- (a) To note this report and consider any comments from Finance and Investment Advisory Committee.

Introduction and Background

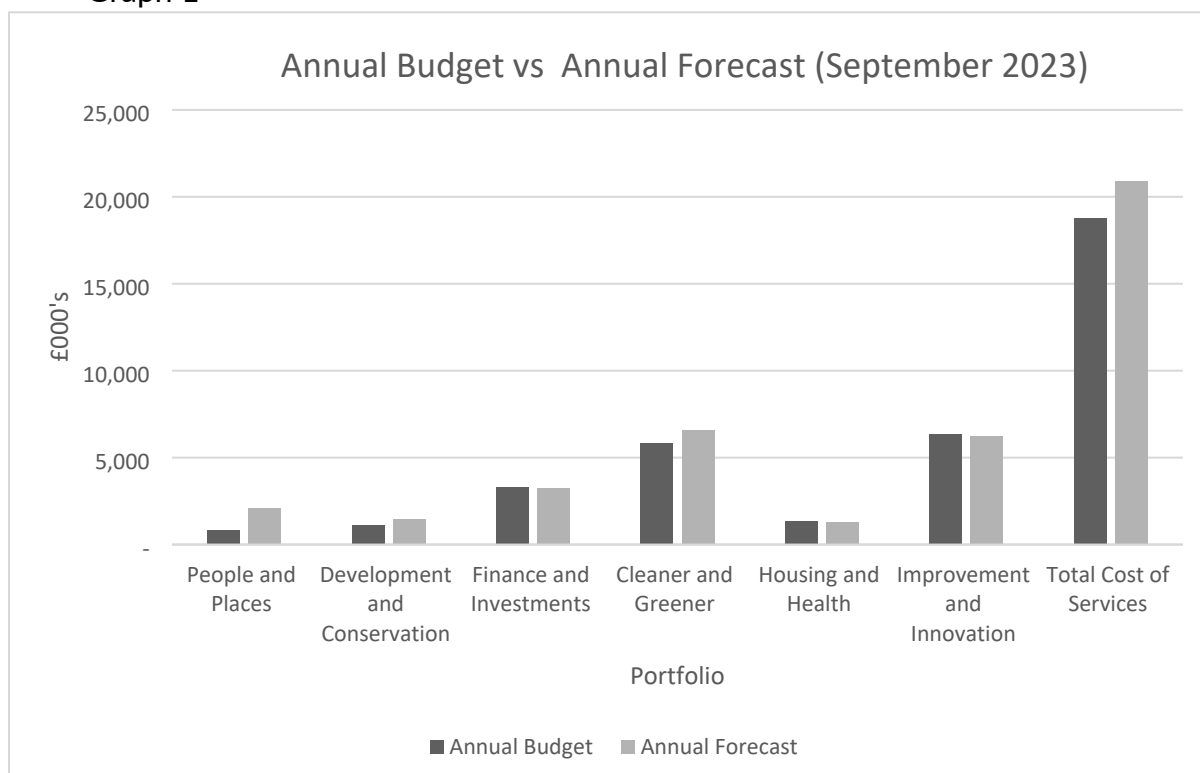
- 1 At the May meeting of the Finance and Investment Advisory Committee a report was presented outlining areas of financial pressure that might materialise during the year ahead (Financial Monitoring 2023/24 – Early Indications).
- 2 There has been no progress on the 2023/24 pay award and so the forecast is still showing an variance of £750,000 based on the current offer is £1,925 per person or 3.88% on SCP43 and above and that allowances would also increase by 3.88%. This equates to an average increase of 5.7% in the Council's staff costs against a budget assumption of 2%. This has been included in the forecast

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on the assumption that it would be the minimum cost the Council could expect to incur.

- 3 Officers have undertaken a number of actions to reduce the forecasted variance from the unfavourable variance of £1.489m reported in July to an unfavourable of £971,000 at the end of September 2023.
- 4 The graph below shows the forecast against the budget for each portfolio.

Graph 1



- 5 The main areas for the current forecast are summarised in the table below and are detailed in the report below.

Table 1

Service	Summary	£000's
Pay award - April 2023	Current estimate	750
Direct Services	Net position of service	684
Planning	Appeals, Development Management & enforcement	235
Investment Property	Rental Void period and Business rates	166
Markets	Contract renewal	78
All services	Other smaller variances	74

Investments	Treasury Management	(322)
All services	Staff Vacancies	(409)
Investment Property Reserve	Reserve set up to fund void periods	(166)
Planning	Supplementary estimates	(116)
		<u>971</u>

Areas of Note

- 6 Interest Receipts – the Council made the decision to invest £5m for a 5 year period on multi-asset investment funds which has resulted in excellent returns resulting in a favourable forecast variance of £474,000.
- 7 The interim Leisure Contract is showing an unfavourable forecast of £1.338m but as agreed by members in at Council in April 2023 this is part of the approved £1.83m budget over two years. This is being funded initially from the Budget Stabilisation Reserve so the net effect is £0 on the bottom line forecasted position.

Net Service Expenditure – Favourable Variances

- 8 There are a number of vacancies not currently being filled across the organisation, (£409,000). These include General Admin (Post/Scanning) (£62,000), Private Sector Housing (£46,000) and Support – Contact Centre (£51,000). The savings forecasted are being used to offset agency or consultant costs used to cover the vacancies contributing to the overall financial position.
- 9 Corporate Management is forecasting a favourable variance £36,000 due to vacancy savings and also a reduction in external services spend.
- 10 Corporate Other is forecasting a favourable variance of £50,000 which is the result of higher contributions from service budgets to the vacancy savings pot.
- 11 Economic Development is forecasting a favourable variance of £60,000 due to current underspends within the service that were utilised on The Place Campaign last year but there has been no planned spend this year.

Net Service Expenditure – Unfavourable Variances

- 12 Direct Services are reporting an overall unfavourable net variance of £684,000 after additional car parking income. This forecast reflects the cost of running the service at current waste levels and service delivery standards. It also reflects higher agency costs and the lower income levels on commercial waste, pest control and cesspool emptying not achieving income targets and the cost of maintaining a large fleet. Officers are producing a plan to manage or mitigate this future position and members are being engaged as part of that process.
- 13 Planning – Development Management are forecasting an unfavourable variance of £129,000 due to the additional investment required to deliver the service and salary costs.

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- 14 Planning Appeals is reporting an unfavourable variance of £116,000 due to the Council losing the Appeal on the Oakhill Road Appeal. Also £20,000 was spent to clear dangerous trees on the site. This has been offset by the utilisation of supplementary estimates which reflects that this expenditure is outside the scope of the budget process.
- 15 Print Shop is reporting an unfavourable variance of £43,000 due to underachievement of external business income.
- 16 Swanley Meeting Point – Business Hub is reporting an unfavourable variance of £21,000 due to an overspend of salaries as the hub becomes settled and income streams are established.

Other Variances

- 17 Investment Property Income is reporting an unfavourable variance of £203,000. This is partly due to a longer than expected contract negotiations for Pembroke Road which has resulted in reduced income and the council incurring Business Rates. This loss of income has been offset by the utilisation of the Property Investment Reserve.

Capital Programme

The Capital programme budget for 23/24 is £33m. Current Progress on the projects is shown within Append B and the forecast position is current £18.3m.

The difference between forecast and budget is due to revision of the planned Affordable Housing acquisition and a delay in the Bevan Place scheme.

Future Issues and Risk Areas

- 18 As mentioned above the early indications report was presented at both the Finance and Investment Advisory Committee and Cabinet in May and set out the financial risks that may impact the council in 2023/24 and future years. Many of those issues have been covered within this report and will continue to be monitored and reported on as well as forming part of the 2024/25 budget setting process.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement

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

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

Equality Assessment

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

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 – September 2023 Budget Monitoring Commentary

Appendix B – September 2023 Financial Information

Background Papers

None

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

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	Budget to date	Forecast	Actual to P6	Variance to date	Total Annual Forecast	Explanation for year end variances greater than £10k (<i>starred items</i>)
	£'000	£'000	£'000	£'000	Variance	
People & Places						
Domestic Abuse Duty	0	0	-24	-24	0 *	Home Office funding received in advance to support post salary and project budget.
Gypsy Sites	-3	17	-2	1	20	Predicted under recovery in rents from vacant plots. Work being undertaken to refurbish 3 pitches and award new tenancies by October 2023, recovering some of the rental income.
Homeless	341	325	412	71	-16 *	Underspend on vacant posts, which are currently being recruited to.
Housing Energy Retraining Options (HERO)	28	16	-18	-46	-12 *	Salary underspend due to vacant posts- HERO Housing Team Leader.
Homes for the Ukrainians	21	21	-718	-740	0 *	Funding received in advance from Kent County Council.
KCC- Household Support Fund	0	0	89	89	0 *	KCC allocated funding. Phase 4 of the Household Support Fund has been drawn down allocated to low-income households/pensioners to support the cost of living.
Leisure Contract	-152	-187	-190	-38	-35 *	Quarterly management fee for White Oak Leisure Centre invoiced in advance of profile.
Leisure Contract - Interim	0	1,338	311	311	1,338 *	Impact of the interim leisure contract (asset purchase, mobilisation costs funded in advance).
Police & Crime Commissioners (PCCs)	0	0	-27	-27	0 *	Funding received in advance from Police and Crime Commissioner.
Private Sector Housing	101	55	64	-36	-46 *	Salary underspend due to vacant posts- Private Sector Housing Team Leader and Housing Standards Officer.
Rough Sleepers Initiative 2022-25	22	22	-65	-86	0 *	Rough Sleepers Initiative funding - received in advance.
Rough Sleepers Programme	0	0	-63	-63	0 *	Funding received in advance from Rough Sleeping Accommodation Programme.
One You - Kent Public Health	0	0	-28	-28	0 *	Funding received from Dartford, Gravesham & Swanley Health and Care Partnership pending new coding.
Housing and Health Project	12	12	0	-12	0 *	Externally funded project now subject to project evaluation and closure. Final costs to be determined as part of this work.
Homelessness Funding	-328	-328	-626	-297	0 *	Additional homelessness prevention grant funding received in advance towards temporary accommodation, staffing and prevention toolkit.

Future Issues/Risk Areas

Although new placements into Temporary and Emergency Accommodation continue to decrease, securing affordable move on accommodation in the district for existing placements, continues to impact the budget. The acquisition by Quercus Housing of Gladedale House in Westerham, 27-29 High Street and 11-13 High Street, Swanley has brought forward 41 new affordable homes in the the district. The Council has worked with the Heart Foundation to secure the lease of a rental property (Stay Green House) in the district. The Out of Area Placement Policy and revised Housing Allocation Scheme were approved by Council in 2022.

A future pressure on homelessness may be seen as host placements end as part Govt's Homes for Ukraine Scheme, alongside the Afghan Resettlement Scheme. Additional funding for homelessness pressures arising from the Homes for Ukraine Scheme has been allocated by KCC, which could potentially contribute to temporary accommodation costs. Capital funding has also be allocated by DLUHC to the Council for the delivery of affordable housing to support refugee schemes over the next 2 years.

As a result of closure order on the Hever Road Gypsy and Traveller site due to criminal damage, rents and HB reclaims has reduced due to x7 tenancy evictions. A new Allocations Policy is due to be approved in July and funding has been secured to bring x3 of the most damaged pitches and utility blocks back into use by late Autumn 2023.

The rising cost of living is impacting households in the district and we are starting to see homeless presentations from working households, who are unable to afford rising rental costs, utility and food costs. This is starting to impact our temporary and emergency accommodation placements, which rising after a period of stability.

	Budget to date	Forecast Outturn	Actual to P6	Variance to date	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
<p>Although the council is predicting to come in on budget for this current financial year for emergency accommodation spend due to a combination of external funding, increased homelessness prevention and the delivery of new homes by Quercus Housing to alleviate homelessness pressures, it should continue to be highlighted as a potential risk, as the cost of living pressures continues to impact many households, resulting in increased homelessness and demand for emergency accommodation.</p>						
<p>Impact of the interim leisure contract as part of an open book facility with Everyone Active continues to be monitored. A budget of £1.83m was agreed by Council in April 2023 for a 2 year period, which will need to be repaid. Currently £1.3m is the estimated cost for year 1, which has been forecast. It should be noted that in Quarter 1, the Council needed to negotiate the transfer of utilities (electricity and gas), following Sencio's administration. The utility provider held the Council on a standard tariff whilst it undertook the transfer of the utility contracts from Sencio, with this additional cost being borne by the Council.</p>						

	Budget to date £'000	Forecast Outturn £'000	Actual to P6 £'000	Variance to date £'000	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
Assistant Chief Executive						
Corporate Management	499	463	481	-18	-36 *	Underspend on salaries and external services
Corporate - Other	57	7	0	-57	-50 *	Additional savings generated from vacant posts exceeding budget.
Elections	47	47	277	230	0 *	Costs of the May 2023 elections to be partially recharged to Town & Parish Councils. District costs to be met from earmarked elections reserve
Register of Electors	134	134	111	-23	0 *	Underspend in relation to current spend on annual canvass.
Support - General Admin (Print Shop)	37	72	57	20	35 *	Underachieved income slightly offset by an underspend on vacant post and materials. Underachieved income from internal print charges off-set by corresponding underspends in service internal print budgets.

	Budget to date	Forecast Outturn	Actual to P6	Variance to date	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
	£'000	£'000	£'000	£'000		
Customer & Resources						
Asset Maintenance IT	140	140	95	-45	0	* As per long term asset maintenance plan.
Benefits Admin	112	91	119	7	-21	Salary underspend.
Dartford Rev&Ben Partnership Hub (SDC costs)	1,031	1,031	1,224	194	0	* Additional software costs to be covered by reserve. Additional resource to be partly funded by Dartford BC.
Land Charges	-22	19	-5	17	41	* Forecast underachievement on income of around £68k partially offset by a draw on previous grants received
Local Tax	-95	-93	-242	-148	1	* New Burdens funding ahead of spend for government new service implementation.
Administrative Expenses - Legal and Democratic	45	45	33	-12	0	* Forecast underspend on printing
Support - Contact Centre	426	375	395	-30	-51	* Underspend on salaries due to staff turnover
Support - Central Offices - Facilities	120	118	89	-31	-2	* Underspend due to invoices due from previous cleaning contract and currently vacant posts
Support - General Admin (Post/Scanning)	126	64	65	-60	-62	* Forecast EOY position due to underspend on salaries coupled with corporate economy of scale on postage

Future Issues/Risk Areas

Likely underachievement on enforcement income currently under review. Agreed currently as offset from reserves.

	Budget to date	Forecast Outturn	Actual to P6	Variance to date	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (starred items)
	£'000	£'000	£'000	£'000		
Finance & Trading						
Asset Maintenance CCTV	10	-5	1	-9	-15	No further spend required on CCTV at the depot.
Car Parks	-859	-1,121	-940	-81	-262	* Day tickets charge income is exceeding budget. Utilities bills higher than budget.
CCTV	144	214	198	54	70	* Increased staffing costs to cover vacancies and training. Transmission cost savings not yet implemented due to market conditions. Cost review with BT (Supplier) underway.
Dartford Audit Partnership Hub (SDC Costs)	118	118	100	-18	0	* Underspend on salaries due to vacancy.
Car Parking - On Street	-245	-245	-257	-12	0	* On Street day tickets and penalties notices exceeding budget.
Refuse Collection	137	643	422	285	507	* High quantities of waste and recycling still continue. Increased agency and salary costs to cover sickness and annual leave.
Trade Waste	-96	107	46	142	203	* Income forecast lower than budget. Waste disposal charges per tonne have significantly increased.
Green Waste	-153	-39	-76	78	114	* Income expected to be lower than budget. Underspend on vacant posts due to be filled offset by agency costs.
Street Cleansing _ Operational	2	-88	-52	-55	-90	* Lower fixed transport costs and increased recharges for services, along with lower repair costs. A grant of £25k received for The Gum Project.
Transport Workshop	79	78	60	-20	-1	* Underspend on salaries due to vacancy.
Clearpool Emptying	-40	41	9	49	81	* Lower demand for service than budget assumption. Service making a loss.
Pest Control	-20	28	-3	17	48	* Lower demand for service than budget assumption. Service making a loss.
Fly Tipping	-23	9	2	24	32	* Service requiring major repairs to vehicles.
Fleet	-74	-82	-101	-26	-8	* Underspend due to a subsidised levy on testing HGV vehicles. This ended on 1st August 2023. Full costs are now being paid.
Depots	-34	28	-9	25	61	* Internal recharges relating to work orders from other departments lower than budget. Also income reduction.
Emergency - Operational	-14	-27	-22	-8	-13	Lower fixed transport costs due to keeping vehicle and equipment longer.
Emergency	41	30	36	-6	-11	Standby has been quiet through the summer, but we are entering winter preparedness which may see an increase in standby spend.
Parking Enforcement - Tandridge DC	0	-8	-21	-21	-8	* Work relating to 2022/23 still continuing for Tandridge DC for a fee. Income collected relating to 2022/23 to be paid over.
Markets	-231	-154	-193	38	78	* Contracts renewed in April 2023. Swanley Sunday market is not currently achieving target levels but being reviewed with the operator on a regular basis.
Members	246	232	232	-13	-14	* Underspends seen on members expenses and training.
Misc. Finance	605	585	589	-17	-20	* Underspend on Covid 19 related cleaning materials.
Off-Street Enforcement	30	-2	5	-25	-32	* Forecast to overachieve on penalty notice income.
Parks - Greensand Commons Project	0	0	26	26	0	* Externally funded project. Spend will be reclaimed.
Parks and Recreation Grounds	71	55	55	-16	-16	* Repairs and maintenance charges lower than budget.

	Budget to date	Forecast Outturn	Actual to P6	Variance to date	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
Parks - Rural	94	96	84	-10	2 *	Tree works on Oakhill Rd required due to the Development Management Committee refusal. (£20k) This is offset by an underspend on a vacant post.
Administrative Expenses - Finance	12	20	27	15	8 *	Additional expenditure on consultancy to assist with system enhancements.
Street Cleansing	784	810	793	8	25	Underachieved income.
Support - Audit Function	101	89	109	7	-13	SDC share of the combined partnership underspend.
Support - Exchequer and Procurement	115	104	106	-8	-11	Underspend on salaries.
Support - Direct Services	29	39	38	10	11	Higher postage costs and staff advertising for vacant posts attributed to adverse forecast.

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Future Issues/Risk Areas

Government changes to refuse collection and funding 2024/25

	Budget to date	Forecast	Actual to P6	Variance to date	Total Annual Forecast	Explanation for year end variances greater than £10k (<i>starred items</i>)
	£'000	Outturn £'000	£'000	£'000	Variance	
Planning & Regulatory Services						
Building Control Non Fee	42	72	53	12	30 *	Forecast salary overspend to be offset by line below.
Building Control Fee	-110	-136	-119	-9	-26	Salary underspend due to staff vacancy. Fee inspection income slightly ahead of profile.
Environmental Health Services	398	418	385	-14	20 *	Hub expenditure currently behind budget profile. Forecast underachievement on Animal Licence Fees and forecast over expenditure on Air Quality Station maintenance and additional staffing costs.
Licensing Partnership Hub (Trading)	-0	-0	-14	-14	0 *	Hub expenditure currently behind budget profile.
Licensing Regime	31	17	19	-12	-14 *	Forecast salary underspend.
Local Development Plan	0	0	46	46	0 *	Spend to be funded from Local Development Plan reserve.
Planning - Appeals	119	236	189	70	116 *	Expenditure on Hearings and Public Inquiries, including significant spend on Oakhill Rd, a Member overturn of an Officer recommendation.
Planning - CIL Administration	25	45	26	1	20	Forecast unachievement on CIL Admin fees.
Planning - Development Management	-45	83	56	101	129 *	Additional software costs and increased staff costs.
Planning - Enforcement	157	206	220	63	50 *	Additional staffing costs due to contractors covering vacant posts.
Administrative Expenses - Planning Services	27	27	38	11	0 *	Recruitment advertising cost.

Future Issues/Risk Areas

There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
 Planning income is down on last year, reflecting pressures in the wider economy.

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	Budget to date	Forecast Outturn	Actual to P6	Variance to date	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (starred items)
	£'000	£'000	£'000	£'000		
Strategic Head Commercial and Property						
Asset Maintenance Leisure	99	99	11	-88	0	* Budget being treated as an emergency fund due to age of assets.
Asset Maintenance Support & Salaries	50	50	23	-27	0	* Spend currently behind profile.
Economic Development	31	31	20	-11	0	* Current underspend on services.
Swanley Meeting Point	30	51	61	31	21	* Overspend on salaries partly offset by underspends on services.
Economic Development Property	317	257	264	-54	-60	* Underspend on salaries due to be filled.
UK Share Prosperity Fund	0	0	-139	-139	0	* Grant received ahead of spend.
Estates Management - Buildings	16	66	39	23	50	* Overspend forecast due to sinkhole at Shurlock Avenue risk management.
Housing Other Income	-7	-42	-38	-31	-35	* Overachieved income.
Support - Central Offices	428	457	407	-21	29	* Forecast an overspend on utilities. Delay in receiving utilities invoices show a favourable variance against budget.
Tourism	8	8	-140	-147	0	* Grant received ahead of spend.
West Kent Enterprise Advisor Network	0	0	14	14	0	* Spend on website development and branding to be funded from reserves.

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Future Issues/Risk Areas



	Budget to date £'000	Forecast Outturn £'000	Actual to P6 £'000	Variance to date £'000	Total Annual Forecast Variance	Explanation for year end variances greater than £10k (<i>starred items</i>)
Strategic Head Commercial and Property						
Property Investment Strategy	-1,127	-960	-991	136	167 *	Reduction in rent at 96 High St offset by rental income from Sackville House and The Premier Inn. Historic rental income levels are not achievable.

Future Issues/Risk Areas

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APPENDIX B

Appendix B : Summary

Position as at the end of September 23	Y-T-D Actual £'000	Annual Budget £'000	ACTUAL Variance £'000	Annual Forecast (including Accruals) £'000	Annual Variance £'000	Annual Variance %
People and Places	236	816	(580)	2,119	1,303	159.6
Development and Conservation	863	1,141	(279)	1,466	324	28.4
Finance and Investments	2,627	3,319	(692)	3,248	(71)	(2.1)
Cleaner and Greener	2,723	5,810	(3,087)	6,572	762	13.1
Housing and Health	(729)	1,347	(2,076)	1,288	(59)	(4.4)
Improvement and Innovation	3,349	6,331	(2,982)	6,220	(111)	(1.8)
Services Total	9,069	18,765	(9,697)	20,914	2,149	11.5
Estimated Pay Award				750	750	
Adjustments to Reconcile to amount to be met from reserves: Capital Charges outside the General Fund	(30)	(60)	30	(60)	0	0.0
Adjustments to Reconcile to amount to be met from reserves: Support Services outside the General Fund	(86)	(172)	86	(172)	0	0.0
NET SERVICE EXPENDITURE	8,953	18,533	(9,581)	21,432	2,899	15.6
New Homes Bonus	(92)		(92)	0	0	-
Retained Business Rates	0	(2,868)	2,868	(2,868)	0	0.0
Council Tax	0	(12,231)	12,231	(12,231)	0	(0.0)
Rolled in Grants	(50)	(186)	136	(186)	0	(0.0)
Services Grant	(47)	(90)	43	(90)	0	0.0
Funding Guarantee	(454)	(912)	458	(912)	0	0.0
Contribution from Collection Fund	0	(214)	214	(214)	0	0.0
Summary excluding Investment Income	8,310	2,032	6,277	4,931	2,899	142.7

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Investment Property Income	(991)	(1,618)	628	(1,452)	166	10.3
Interest Receipts	(411)	(288)	(123)	(762)	(474)	164.6
OVERALL TOTAL	6,908	126	6,781	2,717	2,591	Agenda Item 7
Planned Appropriation to/(from) Reserves	(165)	(126)	(39)	(126)	0	
Other Reserve Movements	165	0	165	(1,504)	(1,504)	
Supplementary Estimates	0	0	0	(116)	(116)	
(Surplus)/Deficit	6,908	(0)	6,908	971	971	

Appendix B : Summary by Service

Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
People & Places SDC Funded	£'000	£'000	£'000	£'000	£'000
All Weather Pitch	(3)	(3)	(0)	(5)	-
Communities	62	66	(3)	132	-
Communities	(6)	(6)	-	(6)	-
Community Housing Fund	(0)	-	(0)	-	-
The Community Plan	18	19	(1)	39	-
Grants to Organisations	176	177	(1)	201	-
Leisure Contract	(190)	(152)	(38)	295	(35)
Leisure Contract - Interim	311	-	311	1,338	1,338
Leisure Development	8	8	-	15	-
Admin Expenses - People & Places Communities	8	8	0	19	-
Tourism	(140)	8	(147)	35	-
West Kent Partnership	(8)	(2)	(6)	-	-
Youth	42	34	8	57	-
Total People & Places SDC Funded	278	156	123	2,119	1,303
People & Places Externally Funded	£'000	£'000	£'000	£'000	£'000
Youth Mentoring Projects	(0)	-	(0)	-	-
Domestic Abuse Duty	(24)	-	(24)	-	-
KCC Helping Hands	(0)	-	(0)	-	-
Local Strategic Partnership	3	-	3	-	-
Police & Crime Commissioners (PCCs)	(27)	-	(27)	-	-
Community Sports Activation Fund	(5)	-	(5)	-	-

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Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
West Kent Enterprise Advisor Network	14	0	14	-	-
West Kent Partnership Business Support	(3)	-	(3)	-	-
People & Places Externally Funded	(43)	0	(43)	-	-
Total People & Places	236	156	80	2,119	1,303
Development and Conservation	£'000	£'000	£'000	£'000	£'000
Building Control Non Fee	53	42	12	96	30
Building Control Fee	(119)	(110)	(9)	(246)	(26)
Design and Conservation	89	80	9	159	-
Dangerous Structures	-	1	(1)	3	-
Planning Policy	265	265	(0)	562	-
Local Development Plan	46	-	46	-	-
Planning - Appeals	189	119	70	315	116
Planning - CIL Administration	26	25	1	(39)	20
Planning - Counter	(1)	-	(1)	-	6
Planning - Development Management	56	(45)	101	174	129
Planning - Enforcement	220	157	63	381	50
Planning - Development Management - Software Project	-	-	-	-	-
Administrative Expenses - Building Control	1	6	(5)	12	-
Administrative Expenses - Planning Services	38	27	11	49	-
Total Development and Conservation	863	566	297	1,466	324
Finance and Investments	£'000	£'000	£'000	£'000	£'000
Asset Maintenance CCTV	1	10	(9)	4	(15)

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Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Asset Maintenance Countryside	-	5	(5)	9	-
Asset Maintenance Direct Services	24	22	3	43	-
Asset Maintenance Playgrounds	5	8	(4)	16	-
Asset Maintenance Public Toilets	8	8	(0)	16	-
Benefits Admin	119	112	7	166	(21)
Benefits Grants	(13)	(13)	(0)	(25)	-
Corporate Management	0	-	0	-	-
Dartford Rev&Ben Partnership Hub (SDC costs)	1,224	1,031	194	-	-
Dartford Audit Partnership Hub (SDC Costs)	100	118	(18)	(0)	(0)
Housing Advances	-	1	(1)	1	-
Local Tax	(242)	(95)	(148)	(14)	1
Misc. Finance	589	605	(17)	1,485	(20)
Administrative Expenses - Chief Executive	4	7	(3)	19	(1)
Administrative Expenses - Finance	27	12	15	34	8
Administrative Expenses - Revenues and Benefits	(0)	-	(0)	-	-
Administrative Expenses - Strategic Property	7	2	5	5	-
Support - Rev & Ben Control	126	123	4	249	-
Support - Counter Fraud	32	32	(0)	63	(0)
Support - Audit Function	109	101	7	198	(13)
Support - Exchequer and Procurement	106	115	(8)	214	(11)
Support - Finance Function	139	143	(4)	276	-
Support - Legal Function	156	150	6	288	-
Support - Procurement	-	3	(3)	7	-
Support - Property Function	32	30	1	60	-
Treasury Management	74	66	7	130	-
Total Finance and Investments	2,627	2,597	30	3,248	(71)

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Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Cleaner and Greener	£'000	£'000	£'000	£'000	£'000
Asset Maintenance Argyle Road	33	41	(8)	82	-
Asset Maintenance Other Corporate Properties	14	18	(4)	36	-
Asset Maintenance Hever Road	19	21	(2)	42	-
Asset Maintenance Leisure	11	99	(88)	197	-
Asset Maintenance Support & Salaries	23	50	(27)	149	-
Asset Maintenance Sewage Treatment Plants	-	5	(5)	9	-
Bus Station	10	9	1	9	-
Car Parks	(940)	(859)	(81)	(1,891)	(262)
CCTV	198	144	54	389	70
Civil Protection	25	28	(3)	51	(1)
Car Parking - On Street	(257)	(245)	(12)	(352)	-
Refuse Collection	422	137	285	856	507
Trade Waste	46	(96)	142	50	203
Green Waste	(76)	(153)	78	71	114
Street Cleansing _ Operational	(52)	2	(55)	(46)	(90)
Transport Workshop	60	79	(20)	75	(1)
Cesspool Emptying	9	(40)	49	15	81
Pest Control	(3)	(20)	17	3	48
Fly Tipping	2	(23)	24	(13)	32
Fleet	(101)	(74)	(26)	7	(8)
Depots	(9)	(34)	25	35	61
Emergency - Operational	(22)	(14)	(8)	(30)	(13)
Grounds Maintenance	(15)	(18)	3	(26)	1
Environmental Enforcement	1	3	(2)	6	-

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Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
EH Commercial	-	0	(0)	-	-
EH Animal Control	-	-	-	-	-
EH Environmental Protection	-	0	(0)	-	-
Environmental Health Services	385	398	(14)	821	20
Emergency	36	41	(6)	72	(11)
Parking Enforcement - Tandridge DC	(21)	0	(21)	(8)	(8)
Estates Management - Buildings	39	16	23	47	50
Estates Management - Grounds	67	67	(1)	134	(1)
Housing Other Income	(38)	(7)	(31)	(49)	(35)
Housing Premises	(3)	(1)	(2)	10	(7)
Licensing Partnership Hub (Trading)	(14)	(0)	(14)	(0)	(0)
Licensing Partnership Members	-	-	-	-	-
Licensing Regime	19	31	(12)	59	(14)
Asset Maintenance Operatives	2	6	(4)	13	-
Markets	(193)	(231)	38	(330)	78
Decarbonisation Fund Net ZERO 2030	21	21	0	66	-
Off-Street Enforcement	5	30	(25)	29	(32)
Parks - Greensand Commons Project	26	-	26	-	-
Parks and Recreation Grounds	55	71	(16)	127	(16)
Parks - Rural	84	94	(10)	195	2
Public Transport Support	-	0	(0)	0	-
Refuse Collection	1,444	1,453	(9)	2,854	(3)
Administrative Expenses - Direct Services	1	-	1	-	-
Administrative Expenses - Health	5	2	3	5	-
Administrative Expenses - Licensing	0	3	(3)	7	-
Administrative Expenses - Property	1	(0)	1	-	-

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Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Administrative Expenses - Transport	6	3	3	7	-
Street Cleansing	793	784	8	1,594	25
Support - Central Offices	407	428	(21)	629	29
Support - Central Offices - Facilities	89	120	(31)	253	(2)
Support - General Admin	0	0	(0)	1	-
Support - General Admin (Post/Scanning)	65	126	(60)	178	(62)
Support - Health and Safety	-	5	(5)	5	-
Support - Direct Services	38	29	10	71	11
Taxis	(11)	(7)	(3)	23	(3)
Public Conveniences	18	21	(3)	36	-
Total Cleaner and Greener	2,723	2,564	160	6,572	762
Housing and Health	£'000	£'000	£'000	£'000	£'000
Gypsy Sites	(2)	(3)	1	17	20
Community Health and Wellbeing	17	18	(1)	36	-
Homeless	412	341	71	676	(16)
Housing Register	59	64	(4)	124	(3)
Disabled Facilities Grant Administration	-	-	-	(55)	-
Housing	107	106	1	182	-
Accommodation Service	39	40	(0)	77	(2)
Homelessness Prevention	(0)	-	(0)	-	-
Housing Energy Retraining Options (HERO)	(18)	28	(46)	49	(12)
Homes for the Ukrainians	(718)	21	(740)	-	-
KCC- Household Support Fund	89	-	89	-	-
Private Sector Housing	64	101	(36)	174	(46)

APPENDIX B

Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Rough Sleepers Initiative 2022-25	(65)	22	(86)	-	-
Rough Sleepers Programme	(63)	-	(63)	-	-
Admin Expenses - People & Places Housing	3	4	(0)	7	-
One You - Kent Public Health	(28)	0	(28)	-	-
Housing and Health Project	-	12	(12)	-	-
Homelessness Funding	(626)	(328)	(297)	-	-
KCC Specialist Weight Management	0	-	0	-	-
Total Housing and Health	(729)	424	(1,153)	1,288	(59)
Improvement and Innovation	£'000	£'000	£'000	£'000	£'000
Action and Development	-	4	(4)	8	-
Asset Maintenance IT	95	140	(45)	280	-
Civic Expenses	17	17	(1)	18	-
Consultation and Surveys	-	-	-	-	(4)
Corporate Management	481	499	(18)	1,118	(36)
Corporate - Other	-	57	(57)	87	(50)
Democratic Services	91	94	(3)	188	-
Economic Development	20	31	(11)	47	-
Swanley Meeting Point	61	30	31	81	21
Economic Development Property	264	317	(54)	424	(60)
UK Share Prosperity Fund	(139)	-	(139)	-	-
Elections	277	47	230	136	-
External Communications	137	128	9	242	9
Land Charges	(5)	(22)	17	(5)	41
Members	232	246	(13)	480	(14)
Performance Improvement	7	7	(0)	0	-

APPENDIX B

Position as at the end of September 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Register of Electors	111	134	(23)	222	-
Administrative Expenses - Corporate Services	13	10	3	22	-
Administrative Expenses - Legal and Democratic	33	45	(12)	73	-
Administrative Expenses - Transformation and Strategy	8	3	6	6	-
Administrative Expenses - Human Resources	13	4	9	8	-
Street Naming	(2)	(2)	0	(4)	-
Support - Contact Centre	395	426	(30)	697	(51)
Support - Customer Insights	122	124	(3)	249	-
Support - General Admin	12	15	(3)	236	(2)
Support - General Admin (Print Shop)	57	37	20	54	35
Support - IT	773	770	3	1,087	-
Support - Nursery	0	-	0	-	-
Support - Human Resources	277	285	(8)	468	-
Total Improvement and Innovation	3,349	3,445	(97)	6,220	(111)
Total SDC	9,069	9,752	(683)	20,914	2,149

Annual Forecast Variance	1,253
Previous Month forecast variance	2,207
Current Month Forecast Variance	2,149
Current Month Net Movement	(58)

Main Reasons for movement within the month (over £10,000)

Green Waste	Agency and reduced income	65
Refuse Collection	Agency Costs	(13)
Cesspool Emptying		(20)
Depots		(14)
Members		(14)
Parks and Recreation Grounds		(15)
Corporate Management		(18)
External Communications		12
Building Control Fee	Salary underspend	40
EH Commercial	Salary overspend	(26)
Environmental Health Services		20
Planning Policy	Vacancies now taken up	53
Planning - Development Management	Salary overspend	(25)
Planning - CIL Administration	Unachieved Income	20
Support - General Admin (Post/Scanning)	Staff vacancy	(50)
Leisure Contract	Impact of the interim leisure contract	(35)
Asset Maintenance CCTV		(15)
Other		<u>(22)</u>
		<u>(58)</u>

Main Reasons for months variances (over £50,000)

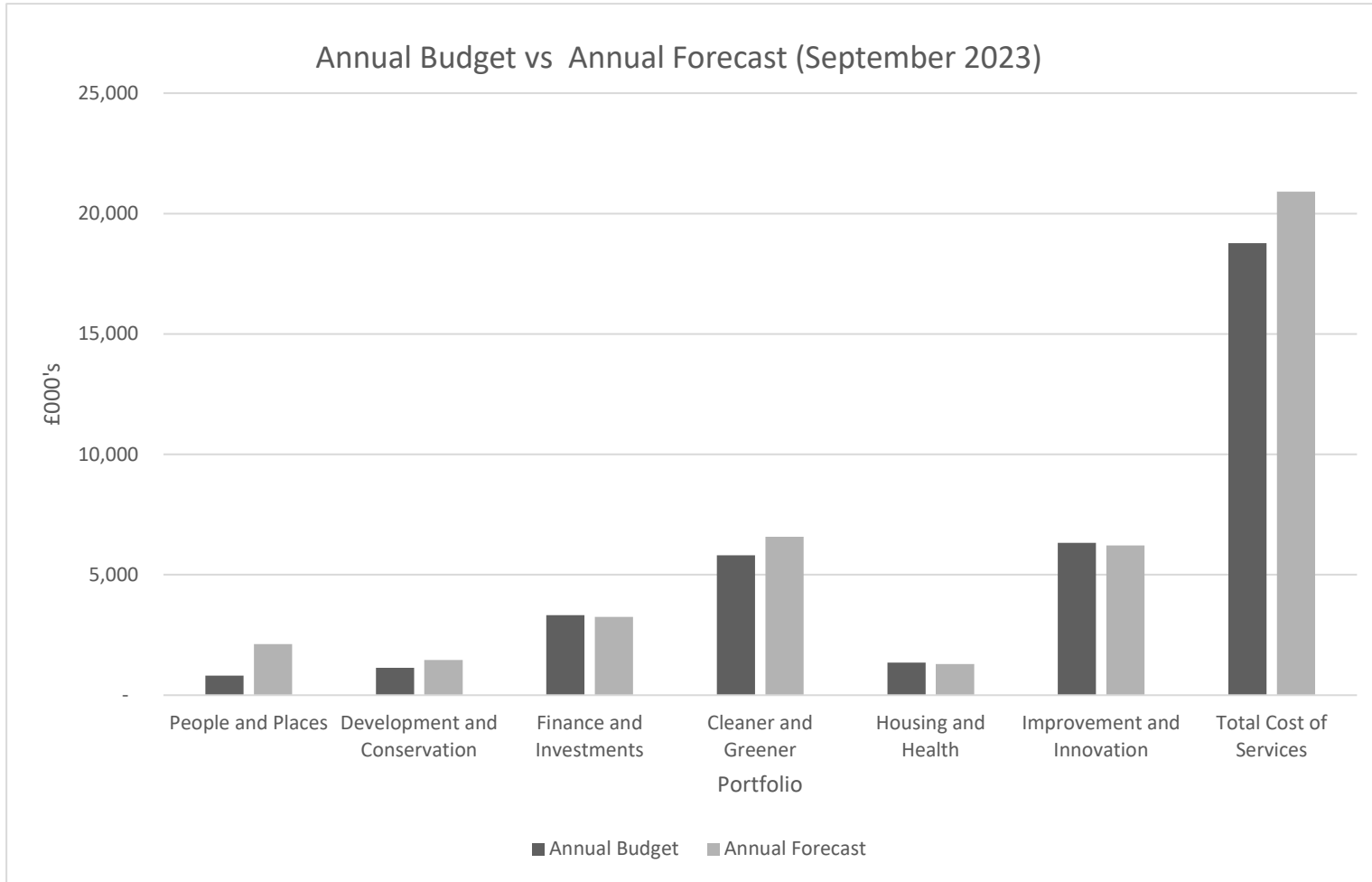
Corporate - Other	Vacancy pot contributions	(50)
Car Parks	Overachieved income	(262)
CCTV	Staffing and transmission costs	70
Refuse Collection	Agency costs	507
Trade Waste	Agency costs	203

Green Waste		114
Street Cleansing - Operational	Agency costs	(90)
Cesspool Emptying	Underachieved income	81
Depots	Transport repair and income reduction	61
Markets	Contract renewal	78
Planning - Appeals	Appeal costs	116
Planning - Development Management	Service investment and salary costs	129
Planning - Enforcement	Agency costs	50
Economic Development Property	Salary savings	(60)
Estates Management - Buildings	Sink hole risk management Impact of the interim leisure contract	50
Leisure Contract - Interim		1,338
Support - Contact Centre	Staff vacancy	(51)
Support - General Admin (Post/Scanning)		(62)
Other		<u>(72)</u>
		<u>2,149</u>
Estimated Pay award - in addition to budget assumption		750
Other Reserve		
Movements		(1,504)
Investment Property		
Income		166
Interest Receipts		(474)
		<u>971</u>

APPENDIX B

Position as at the end of September 23	Annual Budget	Annual Forecast
People and Places	816	2,119
Development and Conservation	1,142	1,466
Finance and Investments	3,319	3,248
Cleaner and Greener	5,810	6,573
Housing and Health	1,347	1,288
Improvement and Innovation	6,331	6,220
Total Cost of Services	18,765	20,914

Service	Summary	£000's
Pay award - April 2023	Current estimate	750
Direct Services	Net position of service	684
Planning	Appeals, Development Mgt & enforcement	235
Investment Property	Rental Void period and Business rates	166
Markets	Contract renewal	79
All services	Other smaller variances	74
Investments	Treasury Management	(322)
All services	Staff Vacancies	(409)
Investment Property Reserve	Reserve set up to fund void periods	(166)
Planning	Supplementary estimates	(120)
		<u>971</u>



APPENDIX B

Appendix B : Salaries

Position as at the end of September 23	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast £'000	Annual Variance £'000	Annual Variance %
Development and Conservation					
Building Control	160	399	399	0	0%
Planning Services	1,084	2,215	2,215	0	0%
	1,244	2,614	2,614	0	0%
Finance and Investments					
Chief Executive	110	226	226	0	0%
Finance	513	1,085	1,074	(11)	-1%
Revenues and Benefits	846	1,786	1,786	0	0%
Strategic Property	329	689	689	0	0%
	1,798	3,785	3,774	(11)	0%
Cleaner and Greener					
Direct Services	2,292	4,897	4,737	(161)	-3%
Health	331	677	677	0	0%
Licensing	273	591	591	0	0%
Property	240	513	487	(26)	-5%
Transport	310	621	649	27	4%
	3,446	7,300	7,140	(159)	-2%
Housing and Health					
Places Housing	355	907	823	(84)	-9%
	355	907	823	(84)	-9%
Improvement and Innovation					
Corporate Services	904	1,808	1,747	(61)	-3%
Legal and Democratic	355	697	697	0	0%
Transformation and Strategy	318	701	657	(44)	-6%
Human Resources	236	477	477	0	0%
	1,813	3,683	3,578	(105)	-3%
People and Places					
Places Communities	171	351	351	0	0%
	171	351	351	0	0%
Sub Total	8,827	18,641	18,281	(359)	-2%
Council Wide - Vacant Posts	0	10	(40)	(50)	-502%
Staff Recruitment and Retention	0	74	74	0	0%
TOTAL SDC Funded Salary Costs	8,827	18,725	18,315	(409)	-2%
Places Communities*	76	129	129	0	0%
Places Housing*	238	348	348	0	0%
Strategic Property*	72	229	229	0	0%
Externally Funded Total	386	706	706	0	0
TOTAL Salary Costs	9,212	19,513	19,020	(409)	-2%

*Externally Funded & Funded from other sources (gross figures). Overspendings here are matched by external funding and represent additional resources secured for the Council since the budget was set.

Appendix B : Staffing Stats - Position as at the end of September 2023	Budget FTE*	Staff FTE	Agency FTE	Casual FTE	September 2023 Total	August 2023 Total
Development and Conservation						
Building Control	7.00	6.41			6.41	6.41
Planning Services	40.76	43.31			43.31	37.77
Finance and Investments						
Chief Executive	1.00	1.00			1.00	1.00
Finance	18.00	17.00			17.00	17.00
Revenues and Benefits	42.30	40.78		0.14	40.92	38.92
Strategic Property	10.00	10.00			10.00	10.61
Cleaner and Greener						
Direct Services	125.68	113.28	24.80	0.21	138.29	142.71
Health	11.99	11.58			11.58	11.58
Licensing	12.20	11.80			11.80	11.80
Property	5.00	4.81			4.81	4.81
Transport	16.62	13.38			13.38	15.38
Housing and Health						
Housing	18.31	15.34			15.34	16.34
Improvement and Innovation						
Corporate Services	50.61	41.99			41.99	47.34
Legal and Democratic	7.00	6.00	1.00		7.00	7.00
Transformation and Strategy	19.35	16.35			16.35	17.35
Human Resources	8.76	9.36			9.36	9.36
People and Places						
Communities & Business	4.50	4.00			4.00	4.00
Sub Total	399.08	366.39	25.80	0.35	397.36	399.38
Externally Funded						
People & Places	2.95	3.81			3.81	3.81
People & Places - Housing	8.00	12.62			12.62	12.62
Strategic Property (Ext)	4.95	4.36			4.36	4.36
Sub total	15.90	20.80	0.00	0.00	20.80	20.80
Total	414.98	387.19	25.80	0.35	418.15	420.18
Number of staff paid in September 23: 415 permanent, Casuals 2						

6 Investment Returns

	<i>Actuals</i> 21/22	<i>Actuals</i> 22/23	<i>Actuals</i> 23/24	<i>Budget</i> 23/24	<i>Variance</i>	<i>Forecast</i> 23/24
APR	1,900	8,467	36,190	15,311	20,879	36,200
MAY	1,620	11,405	43,064	15,410	27,654	43,100
JUN	1,829	24,843	76,805	17,313	59,492	77,000
JUL	2,261	47,663	77,342	23,191	54,151	77,000
AUG	2,471	46,360	84,557	23,528	61,029	85,000
SEP	1,774	40,302	92,901	22,843	70,058	93,000
OCT	1,696	47,257		26,262		56,262
NOV	2,963	57,529		27,553		57,553
DEC	3,467	59,754		31,748		61,748
JAN	4,958	78,253		33,343		63,343
FEB	7,065	57,532		28,674		58,674
MAR	8,424	38,981		22,826		52,826
	40,428	518,346	410,859	288,002	293,263	761,706

INVESTMENT RETURNS (CUMULATIVE)

	<i>Actuals</i> 21/22	<i>Actuals</i> 22/23	<i>Actuals</i> 23/24	<i>Budget</i> 23/24	<i>Variance</i>	<i>Forecast</i> 23/24
APR	1,900	8,467	36,190	15,311	20,879	36,200
MAY	3,520	19,872	79,254	30,721	48,533	79,300
JUN	5,349	44,715	156,059	48,034	108,025	156,300
JUL	7,610	92,378	233,401	71,225	162,176	233,300
AUG	10,081	138,738	317,958	94,753	223,205	318,300
SEP	11,855	179,040	410,859	117,596	293,263	411,300
OCT	13,551	226,297		143,858		467,562
NOV	16,514	283,826		171,411		525,115
DEC	19,981	343,580		203,159		586,863
JAN	24,939	421,833		236,502		650,206
FEB	32,004	479,365		265,176		708,880
MAR	40,428	518,346		288,002		761,706

APPENDIX B

Position as at the end of September 2023 (Period 202406)	23/24 Opening Balance	Position as at the end of September 2023 (Period 202406)2	23/24 Cumulative Movement to Date
E Earmarked Reserve - Budget Stabilisation	(6,830)	(6,835)	(5)
E Earmarked Reserve - Financial Plan	(3,889)	(3,562)	327
E Earmarked Reserve - NNDR Safety Net Deficit Reserve	(2,564)	(2,564)	-
E Earmarked Reserve - Vehicle Renewal (DAA)	(1,395)	(1,395)	-
E Earmarked Reserve - Carry Forward Items (DAC)	(1,313)	(1,313)	-
E Earmarked Reserve - Housing & Commercial Growth Fund	(566)	(566)	-
E Earmarked Reserve - Homelessness Prevention	(541)	(541)	-
E Earmarked Reserve - IT Asset Maintenance	(598)	(516)	82
E Earmarked Reserve - Capital Expenditure Reserve	(500)	(500)	-
E Earmarked Reserve - Property Investment Strategy Maintenance Reserve	(311)	(485)	(175)
E Earmarked Reserve - Pension Fund Valuation Adj.	(339)	(348)	(9)
E Earmarked Reserve - Local Plan/LDF	(294)	(323)	(29)
E Earmarked Reserve - Action and Development	(296)	(296)	-
E Earmarked Reserve - Vehicle Insurance (DAZ)	(279)	(279)	-
E Earmarked Reserve - Development Services Reserve	(35)	(177)	(142)
E Earmarked Reserve - District Elections (DAZ)	(176)	(176)	-
E Earmarked Reserve - Re-organisation	(164)	(164)	-
E Earmarked Reserve - NETZERO	(134)	(153)	(19)
E Earmarked Reserve - Community Infrastructure Levy Administration (CIL)	(152)	(152)	-
E Earmarked Reserve - Capital Financing	-	(148)	(148)
E Earmarked Reserve - Community Development Reserve	(147)	(147)	-
	(20,521)	(20,640)	(119)
Other Earmarked Reserves (balances <£100k)	(532)	(510)	22
Total Earmarked Reserves	(21,053)	(21,150)	(96)
General Fund	(1,800)	(1,800)	-
Total Reserves	(22,853)	(22,950)	(96)

APPENDIX B

Capital Monitoring Dashboard - September 2023

Description Of Scheme	Funding Source	Approved Gross Cost of Scheme	Total Expenditure from date of adoption to 31 March 2023	2023/2024				Spend Forecast for Later Years			Total Project Expenditure	Total Project Variance
				Budget	Spend YTD	Forecast Outturn	Forecast Variance 2023/2024	2024/2025	2025/2026	2026/2027 and future years		
		£	£	£	£	£	£	£	£	£	£	£
White Oak Leisure Centre	External Borrowing & Capital Receipts	22,866,000	21,017,942	298,000	43,988	294,931	(3,069)	0	0	0	21,312,873	(1,553,127)
White Oak Leisure centre - Orchards Academy	Capital Receipts	161,955	161,955	0	0	0	0	0	0	0	161,955	0
Burlington Mews	Capital Receipts	16,000		8,000	0	0	(8,000)	8,000	0		8,000	(8,000)
27-37 Swanley High street (meeting Point)	Capital Receipts & External funding	6,114,000	5,086,389	614,000	553,961	778,891	164,891	0	0	248,720	5,865,280	0
White Oak Residential	Capital Receipts	20,189,000	0	8,000,000	198,797	8,000,000	0	6,189,000	900,000	5,100,000	15,089,000	0
Affordable Housing	External Borrowing	16,050,000		1,500,000		0	(1,500,000)	1,500,000	1,500,000	13,050,000	0	0
Bevan Place	Mixed	27,306,000	1,109,809	14,022,000	2,540	2,540	(14,019,460)	10,229,000	510,000	15,454,651	27,306,000	0
Mill Pond	Mixed	60,000		60,000	61,750	61,750	1,750	0	0	(1,750)	61,750	1,750
Other Feasibility & Due Dilliegncce costs	Mixed	1,600,000		1,450,000	6,693	1,450,000	0	150,000	0	0	1,600,000	0
Bradbourne Lakes	Mixed	60,000		60,000	0	60,000	0	0	0	0	0	0
Farmstead Drive (Spitals Cross)	Mixed	7,609,000	915	2,500,000	269,879	2,500,000	0	2,000,000	409,000	2,699,085	7,609,000	0
Stangrove Estate	Mixed	4,313,000	130,282	1,948,000	619,088	2,500,000	552,000	56,000	0	1,626,718	4,313,000	0
Total for People & Places		106,344,955	27,507,291	30,460,000	1,756,695	15,648,112	(14,811,888)	20,132,000	3,319,000	38,177,425	83,326,857	(1,559,377)
Commercial vehicle replacements	Vehicle Renewal Res.	1,746,000	0	1,176,000	614,432	1,176,000	0	582,000	582,000	0	582,000	0
Disabled Facilities Grants (gross)	Better Care Fund	3,384,000	0	1,456,000	162,686	1,456,000	0	1,128,000	1,128,000	1,128,000	3,384,000	0
Total for Finance & Trading		5,130,000	0	2,632,000	777,118	2,632,000	0	1,710,000	1,710,000	1,128,000	3,966,000	0
Grand total		111,474,955	27,507,291	33,092,000	2,533,814	18,280,112	(14,811,888)	21,842,000	5,029,000	39,305,425	87,292,857	(1,559,377)

Memo												
Quercus Housing	£15m over 10 years	no profiling set	15,000,000									
Quercus 7	SDC Debt (60%) / Equity (40%)		9,691,146	0		0					9,691,146	0

Croft Road	536,444
Plot 2 Canterbury Business Park	2,292,120
10 -14 Gladedale House	1,232,600
Loampit Vale, Lewisham	1,829,982
3 - 4 Hilton Road, Ashford	3,800,000

APPENDIX B

Income Graphs Summary	Actuals YTD	Previous YTD	Budget YTD	Variance YTD - brackets show underachievement	Annual Budget	Forecast Variance - (brackets) show underachievement	Forecast Outturn	Prior year Outturn	Impact - High (>£50k)	Explanation of what Income is.
External Communications	9,510	4,150	6,311	3,199	12,622	-	12,622	14,483		Advertising Sales
Register of Electors	449	71	-	449	-	-	-	3,892		Sale of registers
Support - General Admin (Print Shop)	56,637	42,807	93,513	(36,876)	187,026	(58,000)	129,026	122,079	H	Print fees and charges
	66,595	47,028	99,824	(33,229)	199,648	(58,000)	141,648	151,878		
Land Charges	58,511	58,289	84,982	(26,471)	169,965	(68,000)	101,965	112,767	H	Land Charges
Local Tax	206,080	201,391	245,478	(39,399)	490,957	-	490,957	278,598		Court Costs Recovered
Administrative Expenses - Human Resources	324	1,103	1,958	(1,634)	3,916	-	3,916	1,590		CRB Checks
Street Naming	9,790	6,840	12,063	(2,273)	24,125	-	24,125	13,645		Street Naming Fees
Support - Legal Function	2,800	9,112	1,250	1,550	2,500	-	2,500	14,089		\$106 Legal Fees and other income
Support - Human Resources	70	4,950	471	(400)	941	-	941	7,696		Payroll Support contribution
	278,075	281,685	346,202	(68,127)	721,538	(68,000)	653,538	465,381		
Car Parks	1,528,057	1,139,520	1,456,060	71,997	2,803,521	280,000	3,083,521	2,827,522	H	Off Street Parking Income
CCTV	12,850	15,277	17,295	(4,444)	34,589	-	34,589	39,472		Recharge other authorities
Car Parking - On Street	524,880	363,267	485,829	39,051	971,659	164,000	1,135,659	966,923	H	On Street Parking Income
Refuse Collection	72,729	55,631	59,998	12,731	119,995	13,000	132,995	152,336		Bulky waste and other fee income
Trade Waste	284,594	213,240	369,513	(84,920)	739,027	(127,242)	611,785	529,887	H	Trade waste income
Green Waste	552,823	462,756	626,776	(73,953)	1,011,472	(70,000)	941,472	862,250	H	Garden waste subscriptions
Street Cleansing _ Operational	35,866	16,495	60,372	(24,506)	120,743	(40,000)	80,743	64,902		Street cleaning charges
Transport Workshop	30,914	6,758	39,644	(8,730)	79,287	(15,000)	64,287	53,701		MOT and Taxi Tests
Cesspool Emptying	81,089	59,349	134,037	(52,948)	268,074	(90,000)	178,074	160,444	H	Cesspool charges
Pest Control	26,364	16,902	40,361	(13,996)	80,881	(48,000)	32,881	31,395		Pest control fee income
Fly Tipping	1,033	675	1,616	(582)	3,231	-	3,231	4,530		Fixed penalty notices
Depots	11,510	123	16,953	(5,443)	33,906	(21,509)	12,397	461		Rechargeable works
Markets	222,737	284,362	261,229	(38,492)	522,458	(78,000)	444,458	555,493	H	Rental income for market operation
Off-Street Enforcement	103,840	89,346	77,943	25,897	155,886	60,000	215,886	215,803	H	Car Park Penalty Charge Notices
Parks - Greensand Commons Project	23,200	10,229	-	23,200	-	-	-	74,725		External funding for Greensands Project
Parks - Rural	3,813	13,619	1,681	2,133	3,361	4,230	7,591	23,396		Sale of Timber
Refuse Collection	121,109	64,976	117,536	3,573	341,321	-	341,321	339,827		Recycling Credits and Sack income
Street Cleansing	-	-	14,679	(14,679)	29,358	(29,358)	-	784		External income target
	3,652,147	2,887,191	3,783,553	(131,406)	7,338,830	2,121	7,340,951	7,123,500		
Gypsy Sites	8,096	7,810	1,682	6,414	3,363	-	3,363	17,962		Income from Traveller Site
Disabled Facilities Grant Administration	-	-	-	-	54,824	-	54,824	50,000		Admin grant funding from DFG
Housing	-	3,702	-	-	-	-	-	3,702		
Accommodation Service	-	-	-	-	-	-	-	-		
Next Steps Accommodation Programme	-	-	-	-	-	-	-	-		
Housing Pathway Co-ordinator	-	-	-	-	-	-	-	-		
Homelessness Prevention	299	-	-	299	-	-	-	-		
Housing Energy Retraining Options (HERO)	-	-	-	-	-	-	-	-		
Leisure Contract	210,577	8,333	200,434	10,143	400,868	-	400,868	20,255		Leisure Provider Contract Income
Partnership - Home Office	-	-	-	-	-	-	-	-		
Police & Crime Commissioners (PCCs)	16,740	18,000	-	16,740	-	-	-	1,260		PCC Funding Income
Private Sector Housing	11,434	12,803	7,105	4,329	9,094	-	9,094	26,588		Inspection and Licence income
Rough Sleepers Initiative (4)	-	-	-	-	-	-	-	-		
Admin Expenses - People & Places Comm	-	-	-	-	-	-	-	-		
Sevenoaks Switch and Save	-	-	-	-	-	-	-	-		
One You - Your Home Project	-	-	-	-	-	-	-	-		
One You - Kent Public Health	-	3,103	-	-	-	-	-	6,568		

APPENDIX B

Community Sports Activation Fund	1,600	-	-	1,600	-	-	-	-	-	
Dementia Area Project - Run Walk Push	-	-	-	-	-	-	-	-	1,286	
Housing and Health Project	-	-	-	-	-	-	-	-	-	
Homelessness Funding	-	-	-	-	-	-	-	-	626	
PCT Initiatives	-	(7)	-	-	-	-	-	-	(7)	
Sportivate Inclusive Archery Project	-	169	-	-	-	-	-	-	169	
Youth	-	3,650	-	-	-	-	-	-	4,712	
	263,103	62,152	218,128	44,975	479,657	-	479,657	145,130		
Building Control Partnership Members	-	-	-	-	-	-	-	-	-	
Building Control Non Fee	-	-	-	-	-	-	-	-	(708)	
Building Control Fee	266,753	235,144	266,748	5	533,496	(20,000)	513,496	539,894		Building control plan and inspection fees
Dangerous Structures	-	-	-	-	-	-	-	-	-	
Dartford Environmental Hub (SDC Costs)	-	519	-	-	-	-	-	-	0	
EH Commercial	-	931	(0)	0	(0)	-	(0)	4,763		Environmental Health Fees
EH Animal Control	-	4,747	0	(0)	0	-	0	15,349		Included above
EH Environmental Protection	-	4,145	(0)	0	(0)	-	(0)	25,299		Included above
Environmental Health Services	20,348	-	20,502	(154)	30,226	(12,226)	18,000	-		Income from Licensing Fees
Licensing Partnership Hub (Trading)	23,518	27	-	23,518	-	-	-	160		Income collected on behalf of Licensing Partners
Licensing Partnership Members	389,174	329,292	-	389,174	-	-	-	680,926		Income collected on behalf of Licensing Partners
Licensing Regime	69,085	84,459	70,220	(1,136)	130,065	(7,105)	122,960	116,037		SDC Licence Income
Planning Policy	-	-	2,500	(2,500)	5,000	(5,000)	-	40		
Local Development Plan	-	-	-	-	-	-	-	20		KCC Funding
Decarbonisation Fund Net ZERO 2030	13,317	-	-	13,317	-	-	-	11,000		CIL Administration Funding
Planning - CIL Administration	-	-	-	-	110,000	(20,000)	90,000	89,397		CIL Administration Funding
Planning - Counter	550	-	-	550	6,000	(6,000)	-	-		
Planning - Development Management	474,748	473,375	513,883	(39,135)	1,027,766	(75,252)	952,514	1,210,246	H	Planning application fees
Planning - Enforcement	924	2,310	-	924	-	-	-	3,234		Appeal fees
Planning Performance Agreement	-	-	-	-	-	-	-	-		
Administrative Expenses - Building Control	-	-	-	-	-	-	-	-		
Taxis	77,230	72,639	83,343	(6,113)	166,686	(24,209)	142,477	135,041		Taxi licence fee income
	1335646.47	1207586.94	957196.476	378449.994	2009239	-169792	1839447	2830696.23		
Asset Maintenance Other Corporate Prope	-	-	-	-	-	-	-	-		
Bus Station	3,100	3,100	5,600	(2,500)	11,200	-	11,200	6,200		Advertising Sales
Economic Development	-	-	-	-	-	-	-	-		
Swanley Meeting Point	5,293	-	-	5,293	-	-	-	-		
Economic Development Property	19,264	5,095	22,458	(3,194)	47,504	-	47,504	27,827		Miscellaneous Income and recharges of time
Estates Management - Buildings	73,696	54,703	74,104	(408)	124,808	-	124,808	154,658		Rental income for miscellaneous properties
Housing Other Income	38,435	6,308	7,050	31,385	14,122	35,000	49,122	16,029		Rental income for housing premises
Housing Premises	18,217	20,440	-	18,217	-	20,998	20,998	20,440		Sewage Treatment Income
Asset Maintenance Operatives	-	34,422	-	-	-	-	-	-		
Property Investment Strategy	1,128,574	652,261	1,039,724	88,851	1,620,410	(143,640)	1,476,770	1,646,401	H	Rental Income from Investment Properties
Support - Central Offices	10,408	9,850	18,886	(8,478)	37,772	-	37,772	19,862		Argyle Road Rental Income and Electric Vehicle charging income
Tourism	-	-	-	-	-	-	-	-		
West Kent Enterprise Advisor Network	-	14,631	-	-	-	-	-	18,604		
West Kent Kick Start	-	-	-	-	-	-	-	7,335		
West Kent Partnership	23,000	20,000	31,862	(8,862)	59,398	-	59,398	20,000		West Kent Partner Contributions
West Kent Partnership Business Support	-	6,000	-	-	-	-	-	6,000		

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**FINANCIAL PERFORMANCE INDICATORS 2023/24 – TO THE END OF
SEPTEMBER 2023**

Finance & Investment Advisory Committee – 2 November 2023

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

Status: For Consideration

Key Decision: No

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

This report support the Key Aim of: effective management of the Council’s resources.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officers: Alan Mitchell, Ext.7483

Adrian Rowbotham Ext. 7153

Recommendation to Finance & Investment Committee:

- a) That the report be noted

Reason for recommendation:

This recommendation supports the sound control of the Councils finances.

Introduction and Background

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

Key Implications

Financial

None.

Agenda Item 8

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues.

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 – Performance Indicators

Background Papers

None

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

Finance & Investment Advisory Committee - Performance report - September 2023

Key:



Green – Performance is at or above target



Amber – Performance is less than 10% below target




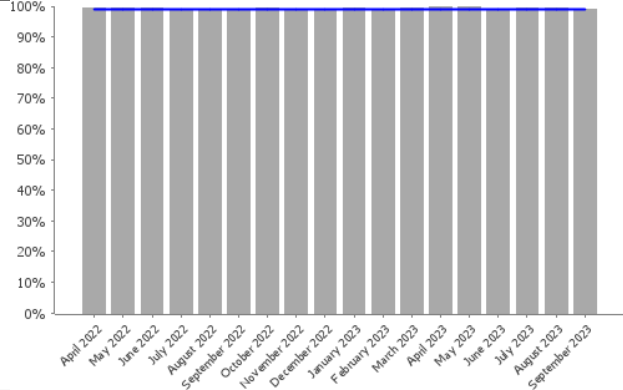


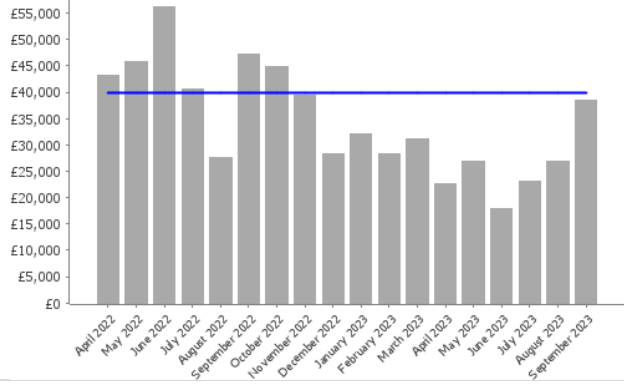

Red – Performance is 10% or more below target

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Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status	Commentary
LPI_AUL1	Audit actions fully implemented within agreed timescales	100%	80%			83.3%	80%		

Agenda Item 8

Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status	Commentary
LPI_BR 04	The percentage of business rates collected in-year (Cumulative)	58%	56%	✔		58%	56%	✔	
LPI_CT 04	The percentage of council tax collected in-year (cumulative)	57.8%	57%	✔		57.8%	57%	✔	

Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status	Commentary
LPI_FS 001	The percentage of undisputed invoices paid within 30 days or agreed terms	99.1%	99%			99.4%	99%		
LPI_FS 003	Sundry debts outstanding more than 60 days	£38,579	£40,000			£38,579	£40,000		

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Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status	Commentary																																						
LPI_HB 02	Average number of days to process a new claim for Housing Benefit (Monthly)	18	22		<table border="1"> <caption>Performance Chart Data for LPI_HB 02</caption> <thead> <tr> <th>Month</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>April 2022</td><td>15</td></tr> <tr><td>May 2022</td><td>22</td></tr> <tr><td>June 2022</td><td>17</td></tr> <tr><td>July 2022</td><td>12</td></tr> <tr><td>August 2022</td><td>18</td></tr> <tr><td>September 2022</td><td>20</td></tr> <tr><td>October 2022</td><td>24</td></tr> <tr><td>November 2022</td><td>18</td></tr> <tr><td>December 2022</td><td>26</td></tr> <tr><td>January 2023</td><td>21</td></tr> <tr><td>February 2023</td><td>22</td></tr> <tr><td>March 2023</td><td>24</td></tr> <tr><td>April 2023</td><td>26</td></tr> <tr><td>May 2023</td><td>18</td></tr> <tr><td>June 2023</td><td>23</td></tr> <tr><td>July 2023</td><td>24</td></tr> <tr><td>August 2023</td><td>26</td></tr> <tr><td>September 2023</td><td>18</td></tr> </tbody> </table>	Month	Value	April 2022	15	May 2022	22	June 2022	17	July 2022	12	August 2022	18	September 2022	20	October 2022	24	November 2022	18	December 2022	26	January 2023	21	February 2023	22	March 2023	24	April 2023	26	May 2023	18	June 2023	23	July 2023	24	August 2023	26	September 2023	18	23	22		There has been a significant improvement on the current value which was 23 days however the year to date position is still slightly above target due to Due to staff sickness & vacancy
Month	Value																																														
April 2022	15																																														
May 2022	22																																														
June 2022	17																																														
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September 2023	18																																														
LPI_HB 04	Average number of days to process a change in circumstances for Housing Benefit (monthly)	13	8		<table border="1"> <caption>Performance Chart Data for LPI_HB 04</caption> <thead> <tr> <th>Month</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>April 2022</td><td>4</td></tr> <tr><td>May 2022</td><td>6</td></tr> <tr><td>June 2022</td><td>8</td></tr> <tr><td>July 2022</td><td>7</td></tr> <tr><td>August 2022</td><td>7</td></tr> <tr><td>September 2022</td><td>8</td></tr> <tr><td>October 2022</td><td>7</td></tr> <tr><td>November 2022</td><td>9</td></tr> <tr><td>December 2022</td><td>6</td></tr> <tr><td>January 2023</td><td>10</td></tr> <tr><td>February 2023</td><td>2</td></tr> <tr><td>March 2023</td><td>10</td></tr> <tr><td>April 2023</td><td>13</td></tr> <tr><td>May 2023</td><td>15</td></tr> <tr><td>June 2023</td><td>15</td></tr> <tr><td>July 2023</td><td>13</td></tr> <tr><td>August 2023</td><td>13</td></tr> <tr><td>September 2023</td><td>13</td></tr> </tbody> </table>	Month	Value	April 2022	4	May 2022	6	June 2022	8	July 2022	7	August 2022	7	September 2022	8	October 2022	7	November 2022	9	December 2022	6	January 2023	10	February 2023	2	March 2023	10	April 2023	13	May 2023	15	June 2023	15	July 2023	13	August 2023	13	September 2023	13	13	8		This has again improved from July's report but this was due to staff sickness vacanc, work is ongoing to bring these back within target
Month	Value																																														
April 2022	4																																														
May 2022	6																																														
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August 2023	13																																														
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Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status	Commentary
TM FS 01	Treasury Management - Actual vs Budget + Forecast	£410,859	£117,596	✔		£410,859	£117,596	✔	
TM FS 02	Treasury Management - Investment returns vs RPI vs CPI	5%	6.7%	✘		5%	6.7%	✘	Retuns on investments is regulary monitored and investments are made with returned and operational/ capital needs in mind.

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BUDGET 2024/25: REVIEW OF SERVICE DASHBOARDS AND SERVICE CHANGE IMPACT ASSESSMENTS (SCIAs)

Finance and Investment Advisory Committee – 2 November 2023

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

Status: For Comment

Also considered by:

- Development and Conservation Advisory Committee – 31 October 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

Key Decision: No

Executive Summary:

This report sets out updates to the 2024/25 budget within the existing framework of the 10-year budget and savings plan. The report presents growth and savings/additional income proposals that have been identified which need to be considered (if applicable to this Committee), and requests further suggestions from the Advisory Committees, before finalising the budget for 2024/25.

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

To achieve this aim and to ensure a balanced budget position over the next 10-year period will be challenging partly due to the uncertainties and ongoing financial impacts of national and international events.

Some changes have been made to future assumptions and they will continue to be reviewed during the budget process, as usual. However, the key cost driver continues to be inflation with pressure coming through on service demand, the pay award and the cost of goods and services. The items listed in Appendix E report a current annual budget gap of £1.368m.

Many of the reasons for the budget gap were raised with Members as part of the 2023/24 budget setting process and they continue to impact the finances of this council. There is also the impact of the leisure provider, Sencio ceasing to operate.

Inflationary and resulting service pressures are largely unavoidable. It is worthwhile making Members aware that they are likely to have to make more difficult decisions during the 2024/25 budget setting process than they have had to make for many years.

The Advisory Committees will comment on the growth and savings/additional income proposals included in the reports, and their recommendations will be considered by Cabinet as part of the process to remove this gap.

By addressing these issues, this Council will once again be in a strong financial position that other councils would aspire to.

Portfolio Holder: Cllr. Kevin Maskell

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

Alan Mitchell, Ext. 7483

Recommendation to each Advisory Committee:

- (a) Advise Cabinet with views on the growth and savings/additional income proposals identified in Appendix G applicable to this Advisory Committee.
- (b) Advise Cabinet with further suggestions for growth and savings/additional income applicable to this Advisory Committee.

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

Introduction and Background

Financial Strategy

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

- improved value for money.
 - maximising external income.
 - the movement of resources away from low priority services.
 - an emphasis on statutory rather than non-statutory services.
- 2 A summary of the Financial Strategy can be found at **Appendix J**.
- 3 Over this period, the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 4 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available and current assumptions may need to be updated.

10-year Budget

- 5 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.
- 6 It should not be forgotten that £8.8m of savings have been made since 2011/12.

Financial Self-Sufficiency

- 7 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.
- 8 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.
- 9 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.

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Current Budget Gap

- 10 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. These remain the major contributors to the budget gap of £1.368m included in this report.
- 11 The growth/additional expenditure items total £1.827m per annum. Many of these items were raised with Members as part of the 2023/24 budget setting process and they continue to impact the finances of this council. The largest items are:
- Pay Awards above previous assumptions. The Council is on national terms and conditions. The National Employers and unions have not yet agreed on the 2023 pay award but the current offer which is an average increase of 5.7% is significantly higher than the budget assumption of 2%.
 - Direct Services – the cost of delivering the full range of services as well as the continuing higher quantities of waste and recycling. Quantities remain much higher than before the pandemic which result in increased staff costs, fuel and vehicle repairs and maintenance.
 - The change in leisure provider as agreed by Council on 4 April 2023.
- 12 Other threats to the financial position, which are managed through the budget process, include energy cost volatility and uncertainty; ongoing demands for homelessness services and temporary accommodation; and the higher costs of goods and services as a result of higher inflation.
- 13 The savings/additional income items total £0.459m per annum. The largest items are:
- Additional income anticipated from a fees and charges review.
 - Government funding streams expected to continue in 2024/25 only.
 - Council Tax premium changes.

The Way Forward

- 14 The intention of this report is to provide Members of each Advisory Committee an opportunity to give their views on potential growth and savings/additional income items that could be included in the updated 10-year budget that will be presented to Council on 20 February 2024.
- 15 The 'Financial Prospects and Budget Strategy 2024/25 and Beyond' report has been presented to FIAC and Cabinet to start the budget setting process for 2024/25.

Review of the 10-year Budget Process

- 16 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

- 17 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 does not rely on direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 18 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.
- 19 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.
- 20 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.'
- 21 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 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.
- 22 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.
- 23 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

Agenda Item 9

knowledge that this council has the financial resources to provide the services that the district's residents need into the future.

Service Dashboards

- 24 The intention of service dashboards is to provide Members with improved information during the budget setting process to provide context and inform any growth and savings/additional income ideas that Members may put forward.
- 25 The Service Dashboards cover a summary of the services provided, objectives, achievements and opportunities, challenges and risks and performance.
- 26 **Appendix A** contains the Service Dashboard for this Advisory Committee. **Appendix A1** contains the Performance Indicators and **Appendix B** contains the budget for those services.

Savings Plan

- 27 **Appendix C** to this report sets out a summary of the savings/additional income and growth items previously approved by Council since the 10-year budget strategy was first used in 2011/12, which have allowed the Council to deliver a 10-year balanced budget.
- 28 The savings plan requires a total of over £8.8 million to be saved between 2011/12 and 2023/23 which is an average saving of £676,000 per annum.

Current 10-year Budget Position

- 29 The 10-year budget set out in **Appendix D** has been updated from the version agreed by Council on 21 February 2023 by rolling it forward one year.
- 30 Changes have been made to the following assumptions:
 - Business Rates Retention – additional income from the Business Rates Pool of £250,000 included in 2024/25 only.
 - Pay award – increased from 2% to 3% for 2024/25.
 - Interest receipts – increased from £288,000 to £332,000 for 2024/25 to 2026/27 and from £188,000 to £232,000 from 2027/28.
 - Property Investment Strategy – decreased from £1.618m to £1.478m for 2024/25 to 2025/26, from £1.715m to £1.575m from 2026/27 to 2028/29 and from £1.756m to £1.616m from 2029/30.
- 31 The current budget gap is £1.368m which is detailed in **Appendix E**.

- 32 The major reasons for this gap are pay awards (explained below), the cost of providing the full range of Direct Services operations and the change in leisure provider.
- 33 The National Employers for local government services final pay award offer for 2023/24 was £1,925 per full time employee up to a certain pay point and 3.88% on higher pay points. This equates to an average increase of 5.7% in the Council's staff costs against a figure of 2% in the 10-year budget. In cash terms this is £750,000 above the budgeted assumption. It should be recognised that the current cost of living crisis has had a severe effect on colleagues on lower salary grades. However, the unions have rejected this offer and further news is awaited.
- 34 Negotiations regarding the 2024/25 pay award have not yet commenced. The assumption in the attached 10-year budget has been increased from 2% to 3% in 2024/25 and remaining at a 2% increase in all future years.
- 35 Officers have been working on proposals to reduce the gap which are included in this round of reports to the Advisory Committees.
- 36 Due to the size of the budget gap this year it is more important than ever that Members fully participate in the process by making suggestions and recognising that some tough decisions may need to be made.
- 37 As previously reported, the options are likely to cover a number of areas including:
- Service efficiencies.
 - Additional income.
 - Re-prioritisation of reserves including use of the Budget Stabilisation Reserve.
 - Service reductions.
- 38 When looking at prospects for year 11 onwards, there is still likely to be a need to take further actions as these years come into the rolling 10-year period.

Proposed Growth and Savings/Additional Income Items

- 39 Growth items are items that would result in additional expenditure or reduced income. Savings items would result in reduced expenditure or additional income. These are in addition to the items highlighted in the 'Financial Prospects and Budget Strategy 2024/25 and Beyond' report considered by Cabinet on 19 September 2023.
- 40 A number of growth and savings/additional income items will be proposed at the Advisory Committees with the aim of helping to achieve the savings/additional income required to bridge the budget gap.

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- 41 Managers have agreed a range of savings that do not require Member approval. These are listed in **Appendix F** (if applicable).
- 42 The proposed growth and savings/additional income items relating to this Advisory Committee are listed in **Appendix G** (if applicable).
- 43 Service Change Impact Assessments (SCIAs) contain further details for all proposed growth and savings/additional income items. SCIAs applicable to this Advisory Committee can be found in **Appendix H** (if applicable).

Role of the Advisory Committees

- 44 Training sessions on the budget process were provided to Members in October. If Members require any further training or require any additional details on the content of this report and appendices, please contact Adrian Rowbotham or Alan Mitchell prior to the meeting.
- 45 Views of the Advisory Committees on the growth and savings/additional income items proposed together with any additional suggestions the committees put forward will be considered by Cabinet at its meeting on 14 December 2023.

Process and Timetable

- 46 This report is the second stage of the budget process as shown in the Budget Setting Timetable (**Appendix K**).
- 47 The next stage will be a Budget Update report to Cabinet on 14 December 2023 to provide details of progress made.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

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

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

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

Equality Assessment

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

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

Net Zero Implications

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

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

Conclusions

The Financial Strategy and 10-year budget process have ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult challenges that it has faced. They have also helped to ensure that the Council is well placed in dealing with more immediate and longer-term challenges.

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

The attached 10-year budget shows that this Council is aiming to continue to be financially stable going into the future with a level of assurance that any council would aspire to. However, with a range of issues impacting the council's finances, this is the most challenging budget process this Council has faced for many years.

The Council aims to continue to provide value for money services to a high standard ensuring that the decisions made lead to an achievable 10-year budget. Members will need to consider the impact on service quality, staff and well-being.

Members' consideration and scrutiny of the relevant services is an essential and key element in the budget process. If the net total of growth and savings/additional income proposals identified by the Advisory Committees and approved by Cabinet

Agenda Item 9

does not reach the £1.368m budget gap currently identified, additional savings will be required that may result in service changes, to ensure a balanced budget position.

Appendices

Appendix A – Service Dashboards relating to this Advisory Committee

Appendix Ai – Performance Indicators

Appendix B – 2023/24 Budget by Service relating to this Advisory Committee

Appendix C – Summary of the Council’s previously agreed savings plan and growth items

Appendix D – 10-year budget

Appendix E – Changes to the 10-year budget

Appendix F – New growth and savings/additional income items agreed by managers (if applicable)

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

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

Appendix J - Financial Strategy

Appendix K – Budget Setting Timetable

Background Papers

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

Adrian Rowbotham

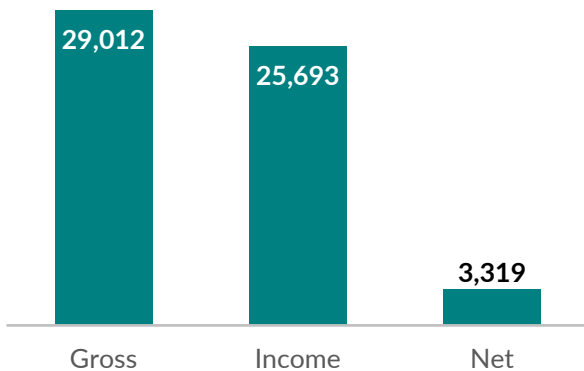
Deputy Chief Executive and Chief Officer – Finance & Trading

Service Dashboard Portfolio for Finance & Investment

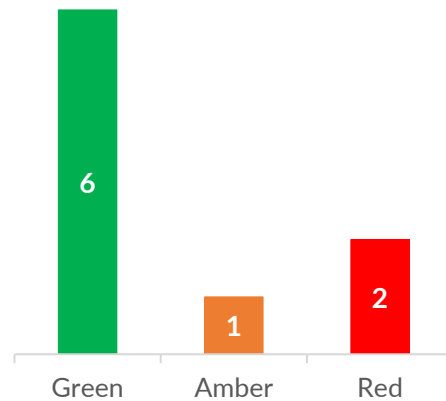
The services we provide

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

Revenue Budget (£000)



Performance



Service contribution

Statutory service



Income generating



Working in partnership



Council Plan

Wellbeing ✓

Environment ✓

Economy ✓

Housing ✗

Community Safety ✗

Health ✗

Achievements & Opportunities

- Continuing to achieve a balanced 10-year budget.
- Recovery and growth of investment income after a period of continually low interest rates and rates of return.
- Property Investment Strategy income continuing to support the budget.
- Council tax, benefits and business rates teams managing increased customer demand as the cost of living remains high.


Challenges & Risks


- Managing current financial risks, high inflation and the increased demand for services.
- Continuing to find savings and sustainable solutions to ensure a prosperous financial future.
- With Government limitations on financing new investment, delivering a viable & sustainable capital programme in line with the Council's ambitions.
- Managing high demand and the sustained increase in customers needing support within the council tax, benefits and business rates services.


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Finance & Investment Advisory Committee - Performance report


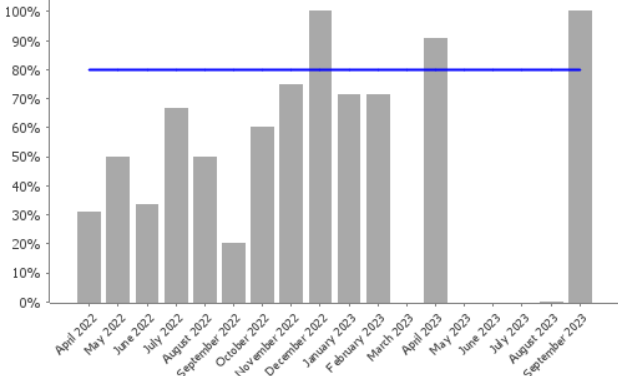

Key:

 Green – Performance is at or above target

 Amber – Performance is less than 10% below target

 Red – Performance is 10% or more below target

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Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status
LPI_AUL1	Audit actions fully implemented within agreed timescales	100%	80%			83.3%	80%	

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Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status
LPI_BR 04	The percentage of business rates collected in-year (Cumulative)	58%	56%	✔		58%	56%	✔
LPI_CT 04	The percentage of council tax collected in-year (cumulative)	57.8%	57%	✔		57.8%	57%	✔
LPI_FS 001	The percentage of undisputed invoices paid within 30 days or agreed terms	99.1%	99%	⚠		99.4%	99%	✔

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Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status
LPI_FS 003	Sundry debts outstanding more than 60 days	£38,579	£40,000			£38,579	£40,000	
LPI_HB 02	Average number of days to process a new claim for Housing Benefit (Monthly)	18	22			23	22	
LPI_HB 04	Average number of days to process a change in circumstances for Housing Benefit (monthly)	13	8			13	8	

Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value	Year to Date Target	Year to Date Status
TM FS 01	Treasury Management - Actual vs Budget + Forecast	£410,859	£117,596	✔		£410,859	£117,596	✔
TM FS 02	Treasury Management - Investment returns vs RPI vs CPI	5%	6.7%	✘		5%	6.7%	✘

Finance and Investments Advisory Committee								Appendix B
Chief Officer	Budget Book Reference	Budget Book Description	2022/23 Exp Budget	2022/23 Inc Budget	2022/23 Approved Net Budget	24/25 Forecast Outturn	24/25 Forecast Variance	Statutory Services (*out of 10)
Revenue			£000	£000	£000	£000	£000	
Customer & Resources	BENSADMIN	Benefits Admin	426	(239)	187	166	(21)	10
Customer & Resources	BENSGRNTS	Benefits Grants	22,138	(22,163)	(25)	(25)	0	10
Customer & Resources	DARTHUB	Dartford Rev&Ben Partnership Hub (SDC c	2,251	(2,251)	0	0	0	0
Customer & Resources	LOCALTAX	Local Tax	647	(661)	(15)	(14)	1	10
Customer & Resources	SUPPACONTROL	Support - Rev & Ben Control	249	0	249	249	0	0
Customer & Resources	SUPPAFRAUD	Support - Counter Fraud	64	0	64	63	(0)	0
Customer & Resources	SUPPLEGAL	Support - Legal Function	291	(3)	288	288	0	0
Finance & Trading	AMFCCTV	Asset Maintenance CCTV	19	0	19	4	(15)	2
Finance & Trading	AMFCNTRYSIDE	Asset Maintenance Countryside	9	0	9	9	0	2
Finance & Trading	AMFDIRECTSER	Asset Maintenance Direct Services	43	0	43	43	0	2
Finance & Trading	AMFPLAYGRNDS	Asset Maintenance Playgrounds	16	0	16	16	0	2
Finance & Trading	AMFTOILETS	Asset Maintenance Public Toilets	16	0	16	16	0	0
Finance & Trading	DARTHUBA	Dartford Audit Partnership Hub (SDC Costs	236	(236)	0	(0)	(0)	0
Finance & Trading	HOUSADVANCE	Housing Advances	1	0	1	1	0	0
Finance & Trading	MISCFIN	Misc. Finance	1,539	(33)	1,505	1,485	(20)	0
Finance & Trading	STAFFCX	Administrative Expenses - Chief Executive	20	0	20	19	(1)	0
Finance & Trading	STAFFFINSERV	Administrative Expenses - Finance	30	(4)	26	34	8	0
Finance & Trading	SUPPAUDIT	Support - Audit Function	210	0	210	198	(13)	0
Finance & Trading	SUPPEXCH	Support - Exchequer and Procurement	238	(13)	225	214	(11)	0
Finance & Trading	SUPPFIN	Support - Finance Function	362	(87)	276	276	0	0
Finance & Trading	SUPPPROCURE	Support - Procurement	7	0	7	7	0	0
Finance & Trading	TREASMGT	Treasury Management	133	(3)	130	130	0	0
Strategic Head Commercial and Property	STAFFSTRPROP	Administrative Expenses - Strategic Proper	5	0	5	5	0	0
Strategic Head Commercial and Property	SUPPPROP	Support - Property Function	60	0	60	60	0	0
			29,012	(25,693)	3,319	3,248	(71)	
*Whole service = 10, Major part = 7, Minor part = 2, None = 0 (Includes support services)								

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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)	
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		
Minor movements between years					0	
Other savings/additional income items completed in earlier years			(8,161)			
Other growth items completed in earlier years			2,218			
Total Savings/additional income			(8,192)	27	0	(8,165)
Total Growth			3,704	(1,031)	(455)	2,218
Net Savings			(4,488)	(1,004)	(455)	(5,947)

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Ten Year Budget - Revenue

Appendix D

	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	21,712	19,548	19,649	20,189	20,689	21,191	21,879	22,392	23,117
Inflation	1,188	1,505	565	573	582	593	602	613	624	635	647
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	2,988	(2,376)	(150)	0	0	0	100	100	100	100
New savings/Income	0	(200)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	18,533	21,712	19,548	19,649	20,189	20,689	21,191	21,879	22,392	23,117	23,782
Financing Sources											
Govt Support: Rolled in grants	(186)	(186)	0	0	0	0	0	0	0	0	0
: Funding Guarantee	(912)	(912)	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)	(90)	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)	(12,858)	(13,356)	(13,807)	(14,271)	(14,748)	(15,238)	(15,744)	(16,262)	(16,794)	(17,269)
Business Rates Retention	(2,868)	(2,920)	(2,723)	(2,409)	(2,457)	(2,506)	(2,556)	(2,607)	(2,659)	(2,712)	(2,766)
Collection Fund Deficit/(Surplus)	(216)	0	0	0	0	0	0	0	0	0	0
Interest Receipts	(288)	(332)	(332)	(332)	(232)	(232)	(232)	(232)	(232)	(232)	(232)
Property Investment Strategy Income	(1,618)	(1,478)	(1,478)	(1,575)	(1,575)	(1,575)	(1,616)	(1,616)	(1,616)	(1,616)	(1,616)
Contributions to/(from) Reserves	(131)	(2,215)	398	398	398	398	398	398	398	370	331
Total Financing	(18,538)	(20,991)	(17,491)	(17,725)	(18,137)	(18,663)	(19,244)	(19,801)	(20,371)	(20,984)	(21,552)
Budget Gap (surplus)/deficit	(5)	721	2,057	1,924	2,052	2,026	1,947	2,078	2,021	2,133	2,230
Contribution to/(from) Stabilisation Reserve	5	114	(371)	(370)	(580)	(636)	(638)	(751)	(674)	(765)	(841)
Unfunded Budget Gap (surplus)/deficit	0	835	1,686	1,554	1,472	1,390	1,309	1,327	1,347	1,368	1,389
Cumulative Unfunded Budget Gap (surplus)/deficit											13,677

Assumptions

Business Rates Retention:	Business Rates Retention safety-net plus 2% per year. Also 'Updated safety net and underindexing compensation' until 25/26 when a Business Rates reset is due to take place. Business Rates Retention Pool income is included for 24/25 only.
Council Tax:	3% in 24/25, 2% in later years
Council Tax Base:	Increase of 730 Band D equivalent properties per annum
Interest Receipts:	£332,000 in 24/25 to 26/27 and £232,000 in later years
Property Investment Strategy:	£1.478m from 24/25. £1.575m from 26/27. £1.616m from 29/30
Pav award:	3% in 24/25. 2% in later years
Other costs:	2.25% in all years
Income:	2.5% in all years.

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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	760	8,322	832	Current employers offer would cost £750,000 in 2023/24.
April 2024 pay award	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	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				
	£000	£000	£000	
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	12	132	13	Provisionally agreed by Council in February 2023. Starts on 01/04/24.
Council Tax: Second Homes Premium	-	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	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	912	912	91	Latest suggestion from Government is that this funding will continue in 2024/25 only.
Govt Settlement: Services Grant	90	90	9	Latest suggestion from Government is that this funding will continue in 2024/25 only.
Govt settlement: Rolled in Grants	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	
NET TOTAL	835	13,677	1,368	

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New Savings/Additional Income Items Agreed by Managers: Finance and Investment Advisory Committee

These items are for information only. No recommendation by the Advisory Committee is required.

MGR		Description	Year	Ongoing	2024/25 Impact £000	10-year	10-year
Year	No.					Budget	Budget Per
						Total	Annum
						Impact	Impact
						£000	£000
Savings/Additional Income							
24/25	3	Revenue & Benefits - Removal of vacant post and hours	24/25	Y	(30)	(300)	(30)
24/25	3	Revenue & Benefits - Fixed term FTE	26/27	Y	0	(120)	(13)
		Total			(30)	(420)	(43)

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

SCIA Year	No. Growth	Description	Year	Ongoing	2024/25 Impact £000	10-year Budget Total Impact	10-year Budget Per Annum Impact £000
Sub Total					0	0	0
Savings/Additional Income							
24/25	4	Reduction in members travel budget to match actual activity	24/25	Y	(9)	(90)	(9)
Sub Total					(9)	(90)	(9)
Net (Savings)/Growth Total					(9)	(90)	(9)

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SERVICE CHANGE IMPACT ASSESSMENT

SCIA_4_(24/25)

Portfolio / Chief Officer : Adrian Rowbotham

Service: Members

Activity Members Travel

No. of Staff no impact on FTE

Details of proposed change	Cost Centre & Account Code of Budget	2024/25 Growth / (Saving) £000	Later Years Comments (ongoing, one-off, etc.)
Reduce travel budget to reflect current levels of use	FSMEMB 57400	(9)	ongoing

Box 1. Reasons for and explanation of proposed change in service

For the last few years the travel budget has not been spent. The 22/23 spend was £6,000 against a £15,000 budget. Therefore the proposal re-aligns the current use and budget

Box 2. Key Stakeholders Affected:

None

Box 3. Likely impacts and implications of the change in service (include Risk Analysis)

None

Risk to Service Objectives (High / Medium / Low)

Low

Cost Centre 2023/24 Budget (£'000)

Operational Cost	£492k
Income	0
Net Cost	£492k

Service Budget 2023/24 (relating to the area effect by this SCIA)

Operational Cost	£15k
Income	£0
Net Cost	£15k

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

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 impact has been reviewed and there will be an (increase or decrease) on carbon emissions produced in the district as a result of this decision.

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.

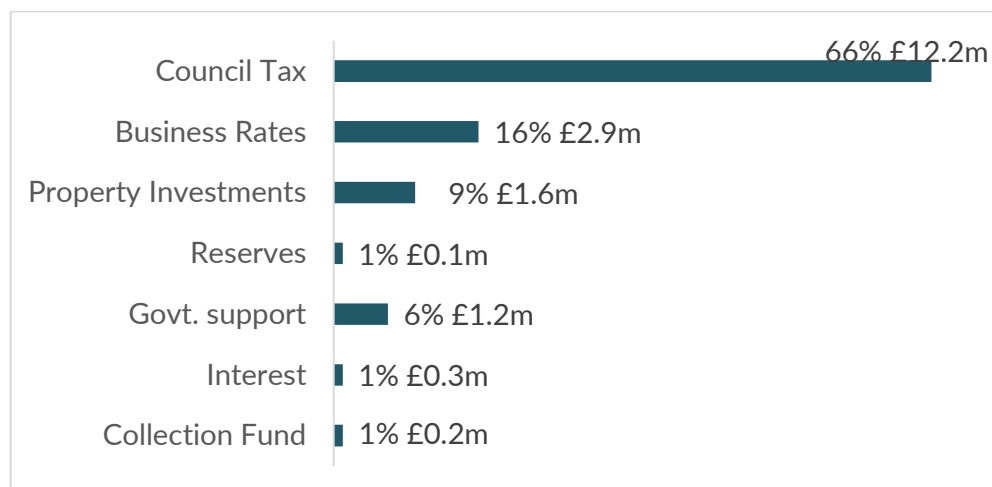
What's important to us:

- 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

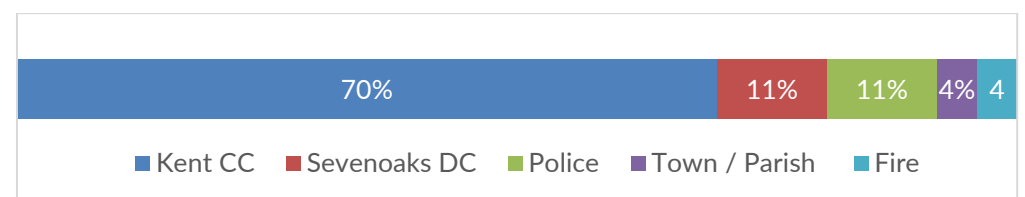
WHERE OUR MONEY COMES FROM (also income from services is £12.6m)



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

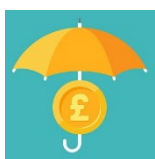
Financial self-sufficiency



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

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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Finance and Investment Advisory Committee 2023/24 Work Plan (as at 04/10/2023)

11 January 2024

- Discretionary Rate Relief
- Financial Monitoring 2023/24 – to the end of November 2023
- Financial Performance Indicators 2023/24 – to the end of November 2023
- Treasury Management Strategy 2024/25
- Property Investment Strategy Update
- Capital Programme and Asset Maintenance 2024-27
- Risks and Assumptions for Budget 2024/25

21 March 2024

- Financial Monitoring 2023/24 – to the end of January 2024
- Financial Performance Indicators 2023/24 – to the end of January 2024
- Carry Forward Requests 2023/24

June 2024

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