

11 January 2024 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	(Pages 1 - 6)	
To agree the minutes of the meeting of the Committee held on 2 November 2023, as a correct record.		
2. Declarations of Interest		
Any interests not already registered.		
3. Actions from Previous Meeting (if any)	(Pages 7 - 8)	
4. Update from Portfolio Holder		
5. Referral from Cabinet or the Audit Committee (if any)		
6. Discretionary Rate Relief	(Pages 9 - 26)	Sue Cressall Tel: 01732 227041
7. Cost Pressures and Cost Management of Capital Projects	(Pages 27 - 74)	Detlev Munster Tel: 01732227099
8. 12 Otford Road, Sevenoaks - Business Park Development Project	(Pages 75 - 92)	Detlev Munster Tel: 01732227099

- | | | | |
|-----|--|-------------------|-----------------------------------|
| 9. | Property Investment Strategy Update | (Pages 93 - 120) | Alan Mitchell
Tel: 01732227483 |
| 10. | Financial Monitoring 2023/24 - to the end of November 2023 | (Pages 121 - 152) | Alan Mitchell
Tel: 01732227483 |
| 11. | Financial Performance Indicators 2023/24 - to the end of October 2023 | (Pages 153 - 158) | Alan Mitchell
Tel: 01732227483 |
| 12. | Treasury Management Strategy 2024/25 | (Pages 159 - 204) | Jessica Booth
Tel: 01732227436 |
| 13. | Capital Programme and Asset Maintenance 2024-27 | (Pages 205 - 226) | Alan Mitchell
Tel: 01732227483 |
| 14. | Fees & Charges Review 24/25 | (Pages 227 - 250) | Alan Mitchell
Tel: 01732227483 |
| 15. | Risks and Assumptions for Budget 2024/25 | (Pages 251 - 262) | Alan Mitchell
Tel: 01732227483 |
| 16. | Work Plan | (Pages 263 - 264) | |

EXEMPT INFORMATION

Recommendation: That, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting when considering Appendix B and C of Agenda Item 8 above, on the grounds that likely disclosure of exempt information is involved as defined by Schedule 12A, paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

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

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

FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 2 November 2023 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Maskell (Vice Chairman)

Cllrs. Bayley, Hogarth, Lindop, Malone, James Morgan, Scott and Williams

Apologies for absence were received from Cllrs. Clayton and Silander

Cllr. Robinson was also present.

Cllr. Clayton was also present via a virtual media platform which is not recognised as attendance as per the Local Government Act 1972.

25. Minutes

Resolved: That the Minutes of the Finance & Investment Advisory Committee held on 5 September 2023, be approved and signed by the Chairman as a correct record.

26. Declarations of Interest

No additional declarations of interest were made.

27. Actions from Previous Meeting

The completed action was noted.

28. Update from Portfolio Holder

The Portfolio Holder advised that over 20 Members had attended the three budget training sessions which had been provided, with lots of relevant questions and issues raised, and it was positive to see so many Members engaged with the process. Valuable feedback had been provided and he welcomed further feedback. The Portfolio Holder thanked Officers for providing the training.

In response to questions regarding procurement, Members were advised that the Portfolio Holder would be pleased to receive any information that Members believed would be helpful to take forward with the Chief Officer for Finance and Trading. The Audit Committee had received a report on procurement at their last meeting.

29. Referral from Cabinet or the Audit Committee

There were none.

30. Treasury Management Mid-Year Update 2023/24

The Senior Principal Accountant presented the report which gave details of the treasury activity in the first half of the current financial year, recent developments in the financial markets and fulfilled the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. Also included within the report was an economic update provided by Link Treasury Advisors to help understand the impact of the investment market.

Members took the opportunity to ask questions regarding the Multi-Asset Income funds. Members were advised that the capital value of the funds fluctuated up and down, but this movement was normal and these short-term fluctuations were not reflected in the investment returns reported in the monthly accounts since the Investment funds were being held for the long term. Members were also advised that it was good governance to have external professional advice and that was provided by the Treasury Advisors. Members requested more detailed breakdowns of the fund management, including asset selection.

Action: That the fund management report be circulated to Members.

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 Mid-Year Update for 2023/24 be noted.

31. Financial Monitoring 2023/24 - To the End of September 2023

The Head of Finance presented the report which updated Members on the current financial position of the authority as at the end of September 2023 and the forecast to March 2024. The previous report to the end of July had forecast a full-year unfavourable variance of £1.489 million. Since then, Officers had implemented a number of actions which had brought the unfavourable variance down to £971,000, which was moving in the right direction but was still a significant gap.

He further advised that since the publication of the report the pay award offer had now been accepted. There would be additional staff costs of £750,000 against the budget assumption of 2%, which was reflected in the forecast position. He also drew attention to other significant unfavourable variances, which were detailed within paragraphs 12 - 16 of the report, which included overspends within Direct Services, who were still functioning at post pandemic levels, and the unplanned

costs regarding Oakhill Road. There were also some favourable variances, which were detailed in paragraphs 8 - 11 of the report, which included a number of staff vacancies, and a reduction in external spend, among others.

Members discussed the report. In response to questions Members were advised that some of the unfavourable variances were due to market changes and were being addressed as part of the budget process. Members also discussed staff costs and the number of vacant positions. Further information was requested on the underspend on staff costs and the split between posts that were being held vacant against the posts that couldn't be filled.

Action: That Officers provide the split between posts being held vacant and those that could not be filled.

Resolved: That the report be noted.

32. Financial Performance Indicators 2023/24 - To the End of September 2023

The Head of Finance presented the report which detailed figures on nine internally set performance indicators covering activities which supported information provided in the regular financial monitoring statements. In response to questions, Members were advised that staff sickness had affected the average number of days to process housing benefit claims but the figures were decreasing and moving in the right direction.

Resolved: That the report be noted.

33. Budget 2024/25: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

The Head of Finance presented the report which set out updates to the 2024/25 budget process within the existing framework of the 10-year budget and savings plan.

Some changes had been made to future assumptions and they would be continued to be reviewed during the budget process. The key cost driver continued 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 reported a current annual budget gap of £1.368m. Members were advised that they were likely to have to make more difficult decisions during the 2024/25 budget setting process than they had had to make for many years.

Informed by the latest information from Government and discussions from Cabinet, it was proposed that the Council once again set a balanced 10-year budget and continued to aim to be financially self-sufficient with no direct funding from Government through additional Revenue Support Grant or New Homes Bonus.

The report presented growth and savings items that had been identified which needed to be considered, and requested further suggestions from the Advisory Committee, before finalising the budget for 2024/25.

Agenda Item 1

Finance & Investment Advisory Committee - 2 November 2023

The Committee considered the proposal set out in Appendices G and H, which was a reduction in the members' travel budget which matched the current usage requirement. There was support for this proposal.

Members gave further consideration to additional suggestions for growth and savings which had been suggested by Members and required consideration of the Committee. Those suggestions relevant to this Advisory Committee were as follows:

- More active management of the council's bank current account. There was no specific proposal for the budget, following on from the debate under the Treasury Management update and future reports where risk appetite would be discussed further.
- Forego Members allowances increases in 2024/25. Members were advised that they could always forego their allowances as an individual decision, whilst noting it was important to ensure that being a Councillor remained accessible to everyone.
- Increasing the maximum council tax which could be charged on unoccupied property. Currently the maximum would only be charged if the property had been left vacant for 2 years but this could be applied after 1 year. Members supported the suggestion and were content with it being an idea put forward for further consideration.

Following debate Members agreed that only the third suggestion should be referred to Cabinet for further consideration.

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 saving proposal (SCIA 4) identified in Appendices G&H to the report applicable to this Advisory Committee, be considered; and
- b) Advise Cabinet with the following suggestion:
 - Increasing the maximum council tax which could be charged on an unoccupied property.

34. Work Plan

The work plan was noted with a Fees and Charges report being included to the work plan for January 2024.

THE MEETING WAS CONCLUDED AT 8.36 PM

CHAIRMAN

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Action(s) from the meeting held on 02 November 2023

Action	Description	Status as at 29 December 2023	Contact Officer
Action	That the fund management report be circulated to Members.	Both fund manager reports have been circulated.	Jessica Booth
Action 2	That Officers provide the split between posts being held vacant and those that could not be filled.	To be updated at the meeting.	Alan Mitchell

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DISCRETIONARY RATE RELIEF

Finance & Investment Advisory Committee – 11 January 2024

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

Status: For Decision

Also considered by:

- Cabinet 18 January 2024

Key Decision: No

Executive Summary: Formal applications for discretionary rate relief are required every two years, with the last applications being made in 2023/2024. This report sets out the proposals for continuing the awards to current recipients for 2024/2025.

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

Portfolio Holder: Cllr. Maskell

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

Paula Porter, Ext 7277

Recommendation to Finance & Investment Advisory Committee:

- Members are asked to recommend that Cabinet approve the criteria for granting discretionary rate relief from 1 April 2024, set out in Appendix A.
- Members are asked to recommend that Cabinet approve the proposals for granting relief from business rates for 2024/2025 as set out in Appendix B.

Recommendation to Cabinet:

- Members are asked to approve the criteria for granting discretionary rate relief from 1 April 2024, set out in Appendix A.
- Members are asked to approve the proposals for granting relief from business rates for 2024/2025 as set out in Appendix B.

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

Introduction and Background

- 1 Charities and sports organisations that have charitable status receive 80% mandatory rate relief. To qualify for the mandatory relief the organisation must be established for charitable purposes only and the premises must be wholly or mainly used for charitable purposes. Sports clubs registered with HMRC as community amateur sports clubs are also entitled to 80% mandatory relief.
- 2 Section 47 of the Local Government Finance Act 1988 (as amended by s69 of the Localism Act 2011) provides local authorities with powers to grant discretionary rate relief of up to 100% to any ratepayer.
- 3 Prior to 1 April 2024, backdating of discretionary rate relief was restricted and applications could not be considered for any year if made more than six months after the year end.
- 4 This restriction is to be removed, effective from 1 April 2024, and the Council will have the freedom to consider applications for 2023/2024 after 30 September 2024 and backdate any award.
- 5 Discretionary rate relief can be awarded in isolation or given to 'top-up' a mandatory award.
- 6 However, unless one of the following apply, authorities may only grant discretionary rate relief if satisfied that it would be reasonable to do so, having regard to the interests of the council tax payers:
 - The ratepayer is a charity or trustees for a charity, and the property is wholly or mainly used for charitable purposes; or
 - The ratepayer is a community amateur sports club and the property is wholly or mainly used for the purpose of the club and other such clubs; or
 - All or part of the property is occupied by non-profit making organisations whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
 - The property is occupied by a club, society or other non-profit making organisation and it is wholly or mainly used for purposes of recreation.

- 7 Authorities should have easily understood guidelines for deciding whether or not to grant relief and for determining the amount of relief which should be based on the consideration of the merits of each individual case. However, as the range of bodies that may be eligible for discretionary rate relief is wide, not all the suggested criteria will be applicable in each case.
- 8 The Council currently grants discretionary rate relief over the following categories:
 - Discretionary rate relief up to 100% of rates bill (but usual award is 80%);
 - Discretionary 'top-up' relief to take total relief up to 100% of the rates bill;
 - Rural rate relief at 50% of rates bill to mandatory rural rate relief recipients;
 - Discretionary rural rate relief at 100% for businesses offering some or all of the service of a Post Office, General Store or food shop which is essential to the community but who do not qualify for mandatory rural rate relief because of the rateable value and
 - Hardship Relief (exceptional cases only and usual award is up to 80%).
- 9 The Non-Domestic Rating Act 2023 and consequential regulations have necessitated changes to the criteria for awarding discretionary rate relief. Revised criteria are set out in Appendix A.
- 10 Since April 2018, in the absence of primary legislation, the Government has required local authorities to use discretionary powers to 'top-up' the 50% mandatory rural rate relief to 100%. Primary legislation has now been amended, meaning that mandatory rate relief cases no longer require a 'top-up'.
- 11 Officers recommend that the revised criteria be approved to take effect from 1 April 2024.
- 12 Applications from ratepayers falling outside of these criteria will be considered on their merits and individual recommendations will be made having regard to the interests of the District's council tax payers.

Approach taken to reviewing applications

- 13 The full list of applications, together with officer recommendations, is attached at Appendix B. Each application has been considered on its own merits, however in reviewing applications against the criteria, similar organisations were considered together, to ensure consistency of approach.
- 14 The criteria was applied as follows for discretionary rate relief and discretionary top-up relief:

Agenda Item 6

- Links to Council priorities – the extent to which the activities supported the Council’s priorities was assessed, including support/activities for vulnerable or socially excluded groups.
 - Evidence of financial need including reserve levels and assets – all organisations were requested to provide financial information and reserve levels were compared to annual expenditure, to assess financial need. The ability to generate income was also considered. In addition, for sports clubs, consideration was given to whether they had applied to become community amateur sports clubs (CASCs).
 - Membership within the District – where it appeared that a substantial proportion of the membership was from outside the District, this was taken into account in putting forward a recommendation.
 - Membership open to all – where membership is restricted to a particular group or locations, or is dependent on recommendations from existing members this has been taken into account, as not all residents would be able to benefit from the relief granted.
 - Membership fee levels – fee levels were assessed to consider whether they were so high that they could exclude some in the local community.
 - Bar activity and profits – if the bar is the main activity an organisation was unlikely to be recommended for relief. Any profits are expected to be used to fund club expenses.
- 15 For discretionary rural rate relief, officers considered the benefits of the shop/business to the local community when compared with the cost of the relief. It is recommended that the village shops receive relief due to the benefit they provide to local communities.
- 16 There is no formal appeals process against the Council’s decisions on the discretionary reliefs referred to in this report. The current approach is however to re-consider decisions in the light of any representations made by the ratepayers.

Applications for 2024/2025

- 17 Appendix B contains the details of each applicant to be considered for relief for 2024/2025 and recommendations of the level of relief to be applied. All applicants fall to be considered under the criteria set out in Appendix A.
- 18 In the Autumn Statement on 22 November 2022 the Chancellor announced that the small business multiplier would be frozen and the standard multiplier would rise by inflation. Although still subject to final confirmation, it is anticipated that the small business non-domestic rating multiplier will be set at 49.9p and the standard non-domestic rating multiplier will be set at 54.6p.

- 19 The estimated level of relief is based upon the multipliers set out in paragraph 16.
- 20 If applications are approved, the estimated total gross relief granted would be £212,513.
- 21 Members should be aware that the requirement for relief can change during the financial year as a result of rateable value changes, vacations etc. Therefore, some of these awards may not ultimately require full funding.

Other options Considered and/or rejected

- 22 Members have discretion not to grant rate relief or to vary the amount of relief awarded. No recommendation is being made to reduce or remove relief because relief from business rates provides organisations with valuable support and contributes to the Council's commitment to supporting and developing the local economy.

Key Implications

Financial

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

Legal Implications and Risk Assessment Statement

- 26 There are no legal issues.

Risk Assessment Statement

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

Agenda Item 6

Equality Assessment

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

Net Zero Implications

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

Conclusions

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

Appendices

Appendix A - Policy for considering applications for Discretionary Rate Relief

Appendix B - List of organisations proposed to receive relief

Background Papers

None

Jim Carrington-West

Deputy Chief Executive and Chief Officer – Customer & Resources

Policy for considering applications for Discretionary Rate Relief

Charitable and not for profit organisations

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

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

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

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

The process for considering applications is as follows:

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

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

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

Discretionary rural rate relief

Certain types of business in rural villages, with a population below 3,000, may qualify for 100% mandatory rural rate relief. Businesses that qualify for this relief are the sole general store and the sole post office in the village, provided it has a rateable value of up to £8,500, any food shop with a rateable value of up to £8,500 and the sole pub and the sole petrol station in the village provided it has a rateable value of up to £12,500.

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

Hardship Relief

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

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

An application needs to be supported by current trading figures as well as previous audited accounts or accounts accepted by HMRC. In assessing an application regard will be had to employment issues for the company or any

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

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Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Estimated Relief for 2024/25	Recommendation/comments
DISCRETIONARY RELIEF						
30556849	Hospices of Hope Trading Ltd 11-13 High Street, Otford TN14 5PG	Shop	Otford	80	£13,073.80	Recommended
30570319	New Ash Green Village Assoc Ltd Ash Road, New Ash Green DA3 8HH	Hall	Ash	80	£3,473.04	Recommended
30557491	New Ash Green Village Assoc Ltd Punch Croft, New Ash Green DA3 8HR	Sports Ground	Ash	80	£6,986.00	Recommended
30578788	New Ash Green Village Assoc Ltd Centre Road, New Ash Green DA3 8HH	Office	Ash	80	£5,417.64	Recommended
30553475	New Ash Green Village Assoc Ltd Ash Road, New Ash Green DA3 8JY	Workshop	Ash	80	£6,187.60	Recommended
30709346	RACDV Sales Ltd 36 Swanley Centre, Swanley BR8 7TL	Shop	Swanley	80	£8,320.83	Recommended
30761191	Business Innovation Zone Ltd Unit 3 Vincent House Fircroft Way Edenbridge TN8 6EL	Office	Edenbridge	80	£11,576.80	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
TOP-UP RELIEF						
30550568	10th Sevenoaks (Weald's Own) Scout Group R/O 13-16 Glebe Road, Weald TN14 6PB	Hall	Weald	20	£314.37	Recommended
30562165	15th Sevenoaks (Otford) Scout Group Station Road, Otford TN14 5QU	Hall	Otford	20	£351.57	Recommended
30569944	16th Sevenoaks (Ide Hill) Scout Group Camberwell Lane, Ide Hill TN14 6JL	Hall	Sundridge	20	£141.20	Recommended
30565195	17th Sevenoaks (Westerham) Scout Group Hortons Way, Westerham TN16 1BT	Hall	Westerham	20	£265.12	Recommended
30557095	1st Crockenhill Scout Group Stones Cross Road, Swanley BR8 8LT	Hall	Swanley	20	£207.48	Recommended

Ref	Organisation name and property description/address	Property type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30561414	1st Edenbridge Scout Group Station Road, Edenbridge TN8 5HP	Hall	Edenbridge	20	£254.49	Recommended
30558593	1st Eynsford & Farningham Scout Group Priory Lane, Eynsford DA4 0AY	Hall	Eynsford	20	£279.44	Recommended
30565812	1st Horton Kirby Scout Group Horton Road, Horton Kirby DA4 9BN	Hall	Horton Kirby	20	£242.02	Recommended
30558555	1st Sevenoaks Scout Group 57 Oakhill Road, Sevenoaks TN13 1NT	Hall	Sevenoaks	20	£394.21	Recommended
30562080	3rd Sevenoaks (Riverhead) Scout Group Bradbourne Vale Road, Sevenoaks TN13 3QQ	Hall	Sevenoaks	20	£234.53	Recommended
30567641	4th Sevenoaks (St Johns) Scout Group Mill Lane, Sevenoaks TN14 5BU	Hall	Sevenoaks	20	£538.92	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30573417	6th Sevenoaks (Kemsing) Scout Group Heaverhad Road, Kemsing TN15 6NE	Hall	Kemsing	20	£194.61	Recommended
30566792	7th Sevenoaks (Halstead) Scout Group Shoreham Lane, Halstead TN14 7BY	Hall	Halstead	20	£126.80	Recommended
30556245	7th Tonbridge (Eden Valley) Scout Group Kiln Lane, Leigh TN11 8RT	Hall	Leigh	20	£244.51	Recommended
30748907	Archbishop's Palace Conservation Trust The Gatehouse, Otford Palace TN14 5PD	Hall	Otford	20	£152.73	Recommended
30612176	Badgers Mount Memorial Hall Highland Road, Badgers Mount TN14 7BA	Hall	Badgers Mount	20	£461.08	Recommended
30741845	Chiddingstone Nursery School Hill Hoath Road, Chiddingstone TN8 7AD	Day Nursery	Chiddingstone	20	£858.28	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30735406	Citizens Advice in North & West Kent 38 Swanley Centre, Swanley BR8 7TQ	Shop	Swanley	20	£1,567.96	Recommended
30769775	Citizens Advice in North & West Kent 1st Floor 5 Blighs Court Sevenoaks TN13 1DD	Offices	Sevenoaks	20	£2,220.55	Recommended
30604373	Eden Valley Museum Trust Church House, R/O 72 High Street Edenbridge TN8 5AR	Museum	Edenbridge	20	£149.70	Recommended
30693953	Edenbridge & Westerham Citizens Advice Bureau The Eden Centre, Edenbridge TN8 6BY	Office	Edenbridge	20	£2,019.95	Recommended
30569890	Farningham Village Hall High Street, Farningham DA4 0DH	Hall	Farningham	20	£461.08	Recommended
30558982	Fawkham Village Hall Valley Road, Fawkham DA3 8NA	Hall	Fawkham	20	£658.68	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30554416	Halstead Village Hall Knockholt Road, Halstead TN14 7EX	Hall	Halstead	20	£324.35	Recommended
30675078	Hartley Village Hall Ash Road, Hartley DA3 8EL	Hall	Hartley	20	£299.40	Recommended
30774777	Heart Cells Foundation Office 4 at Mill Court, Edenbridge TN8 5DB	Office	Edenbridge	20	£852.99	Recommended
30721865	Hextable Community Collective 39 Egerton Avenue, Hextable BR8 7LG	School	Hextable	20	£2,794.40	Recommended
30555785	Ide Hill Village Hall Management Ide Hill, Sevenoaks TN14 6JG	Store	Sundridge	20	£256.47	Recommended
30570296	Ide Hill Village Hall Management Ide Hill, Sevenoaks TN14 6JG	Hall	Sundridge	20	£304.39	Recommended
30775480	Imago Community Unit 1 South Block Ash House New Ash Green, Longfield DA3 8JF	Office	Ash	20	£783.83	Recommended
30702369	Kingsdown Village Hall Gamecock Meadow, London Road West Kingsdown TN15 6BZ	Hall	West Kingsdown	20	£2,020.95	Recommended
30658332	Longfield & Hartley Scout Group Larkwell Lane, Hartley DA3 7EQ	Club House	Hartley	20	£508.98	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30557156	Otford Village Memorial Hall High Street, Otford TN14 5PQ	Hall	Otford	20	£818.41	Recommended
30643088	Riverside Players Unit 11 Furlongs Farm, Riverside Eynsford DA4 0AE	Store	Eynsford	20	£262.24	Recommended
30758171	Samaritans of East Surrey 105 St Johns Hill, Sevenoaks TN13 3PE	Office	Sevenoaks	20	£1,072.85	Recommended
30744370	Second Chance Animal Rescue Bournewoods, Stones Cross Road Swanley BR8 8LT	Animal Sanctuary	Swanley	20	£1,247.50	Recommended
30575161	Sevenoaks District Scout Council School Lane, Seal TN15 0BE	Hall	Seal	20	£204.59	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30785067	The SLM Community Leisure Charitable Trust Buckhurst Lane, Sevenoaks TN13 1LW	Leisure Centre	Sevenoaks	20	£31,395.00	Recommended
30785104	The SLM Community Leisure Charitable Trust Lullingstone Golf Club, Orpington BR6 7PX	Restaurant	Shoreham	20	£988.02	Recommended
30785081	The SLM Community Leisure Charitable Trust Edenbridge Leisure Centre TN8 5LU	Leisure Centre	Edenbridge	20	£27,300.00	Recommended
30785210	The SLM Community Leisure Charitable Trust Edenbridge Local Office TN8 5LU	Office	Edenbridge	20	£726.20	Recommended
30772344	The SLM Community Leisure Charitable Trust Whiteoak Leisure Centre, Swanley BR8 7BT	Leisure Centre	Swanley	20	£64,974.00	Recommended
30550339	Shoreham Village Hall 25 High Street, Shoreham TN14 7TB	Hall	Shoreham	20	£384.23	Recommended

Ref	Organisation name and property description/address	Property Type	Parish	% for 2024/25	Relief for 2024/25	Recommendation/comments
30671342	Stag Community Arts Centre Stag Theatre, Sevenoaks TN13 1ZZ	Theatre & Cinema	Sevenoaks	20	£5,623.80	Recommended
30556276	Sundridge Village Hall Main Road, Sundridge TN14 6EJ	Hall	Sundridge	20	£345.81	Recommended
30720022	Swanley & District Foodbank 11 Lynden Way, Swanley BR8 7DN	Shop	Swanley	20	£599.40	Recommended
30756144	The Cottage Community Cottage Day Centre, Fawkham DA3 8PU	Community Centre	West Kingsdown	20	£316.99	Recommended
30719305	The Kent Firefighting Museum Woodlands Nurseries, Ash TN15 7EG	Museum	Ash	20	£0.10	Recommended
30569487	Ash Village Hall The Street, Ash TN15 7HA	Hall	Ash	20	£299.40	Recommended
30554812	West Kent Mind Day Centre, Glen Dunlop House St Johns Road, Sevenoaks TN13 3LW	Day Centre	Sevenoaks	20	£434.13	Recommended

Discretionary Rate Relief		Number	Relief 2024/25
Total Officer Recommended		7	£55,035.71
Total Officer Rejected		0	£0.00
Top-Up Relief		Number	Amount
Total Officer Recommended		50	£157,477.71
Total Officer Rejected		0	£0.00

COST PRESSURES AND COST MANAGMENT OF CAPITAL PROJECTS

Finance and Investment Advisory Committee – 11 January 2024

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Report of: Strategic Head of Property and Commercial

Status: For Consideration

Also considered by:

- Cabinet – 18 January 2024

Key Decision: No

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

Portfolio Holder: Cllr. Maskell

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

Recommendation to Finance and Investment Advisory Committee:

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

Recommendation to Cabinet:

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

Introduction and Background

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

Control Measures

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

Technical know-how

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

Project Management Approach

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

Governance

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

Public Consultation

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

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

Project Risk Management

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

Contingency Allowances

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

Procurement

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

Contract Form and Mechanisms

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

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

Continuous Learning

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

Summary of Key Cost Pressures

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

Review of Project Specific Cost Pressures

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

White Oak Leisure Centre, Swanley (completed 2022)

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

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

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

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

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

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

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

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

27-37 High Street, Swanley (2023 handover)

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

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

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

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

Farmstead Drive, Edenbridge (completion due 2026)

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

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

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

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

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

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

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

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

Market Intelligence Evidence

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

Key Implications

Financial

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

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

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

Legal Implications and Risk Assessment Statement

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

Equality Assessment

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

Net Zero Implications

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

Conclusions

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

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

Appendices

Appendix A - Project Management Approach and Overview

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

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

Background Papers

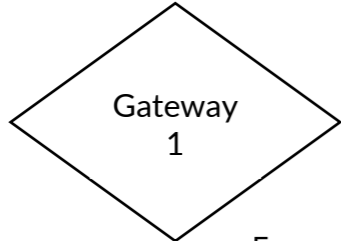
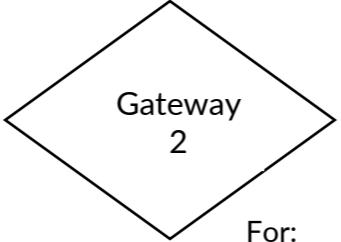
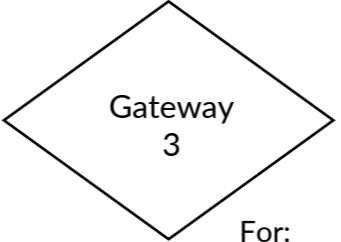
[06b - WOLC Cabinet Report-Feb22 Final.pdf \(sevenoaks.gov.uk\)](#)

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

Detlev Munster, Strategic Head of Property & Commercial

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Project Management Approach and Overview

	Initiation	Feasibility	Planning & Design	Technical Design & Construction	Handover & Closure																																																		
RIBA	0, 1	1, 2	3, 4	4, 5	6, 7																																																		
Key Project Outputs	<ul style="list-style-type: none"> Client requirements (outline) Outline business case Asset review 	<ul style="list-style-type: none"> Options appraisal/analysis Project brief Pre-feasibility study Desktop site surveys Report on title Concept design Procurement approach Initial cost plan/financials 	<ul style="list-style-type: none"> Design studies/analysis Outline specs Cost plans Consultant briefs/procurement Detailed site investigations Planning docs Consultation material 	<ul style="list-style-type: none"> Final spec Technical designs Room data sheets Building systems Discharge planning conditions Building contracts Project performance Building regs applications 	<ul style="list-style-type: none"> Building materials Training Snagging Aftercare Final certificates Asset register updates PC certs Defects list Fire risk assessment 																																																		
Approvals	<ul style="list-style-type: none"> CPB review CPRM review SMT approval <div style="text-align: center;">  <p>Gateway 1</p> </div> <p>For:</p> <ul style="list-style-type: none"> Feasibility only Project team 	<ul style="list-style-type: none"> CPB/CPRM review SMT approval Committee review Cabinet approval <div style="text-align: center;">  <p>Gateway 2</p> </div> <p>For:</p> <ul style="list-style-type: none"> Scheme Budget Planning permission Procurement 	<ul style="list-style-type: none"> CPB/CPRM review SMT/delegated approval Committee review Cabinet/Council approval <div style="text-align: center;">  <p>Gateway 3</p> </div> <p>For:</p> <ul style="list-style-type: none"> Final scheme Budget confirmed Inform tender returns 	<ul style="list-style-type: none"> Exception reporting only and update reports through highlight reports and Programme Dashboard Portfolio-holder and committee updates 																																																			
Project Management Products	<table border="1"> <tr><td>Mandate</td><td>✓</td></tr> <tr><td>Project Initiation Document</td><td>High Level Outline</td></tr> <tr><td>Project Budget</td><td></td></tr> <tr><td>Risk Register</td><td></td></tr> <tr><td>Project Programme</td><td></td></tr> <tr><td>Change Control Procedures</td><td></td></tr> <tr><td>Highlight Reports</td><td></td></tr> <tr><td>Comms Strat/Plan</td><td></td></tr> </table>	Mandate	✓	Project Initiation Document	High Level Outline	Project Budget		Risk Register		Project Programme		Change Control Procedures		Highlight Reports		Comms Strat/Plan		<table border="1"> <tr><td>Update with PEP</td><td></td></tr> <tr><td>✓</td><td></td></tr> <tr><td>Update</td><td></td></tr> <tr><td>Outline</td><td></td></tr> <tr><td>✓</td><td></td></tr> <tr><td>✓</td><td></td></tr> </table>	Update with PEP		✓		Update		Outline		✓		✓		<table border="1"> <tr><td>Update</td><td></td></tr> <tr><td>Detailed update</td><td></td></tr> <tr><td>Update & monitor</td><td></td></tr> <tr><td>Update</td><td></td></tr> <tr><td>✓</td><td></td></tr> <tr><td>✓</td><td></td></tr> </table>	Update		Detailed update		Update & monitor		Update		✓		✓		<table border="1"> <tr><td>Monitoring</td><td></td></tr> <tr><td>Update & monitor</td><td></td></tr> <tr><td>Monitor</td><td></td></tr> <tr><td>✓</td><td></td></tr> <tr><td>✓</td><td></td></tr> </table>	Monitoring		Update & monitor		Monitor		✓		✓		
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**Construction Products and Supply
Chain inflation report
Updated 16th December 2022**

Executive summary:

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

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

Key changes this month:



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

RAG risk summary

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

RAG status summary

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



Steel reinforcement

RAG Status: **RED**

Trades affected

- RC Frame
- Groundworks
- Substructure

Key risks

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

Changes on month

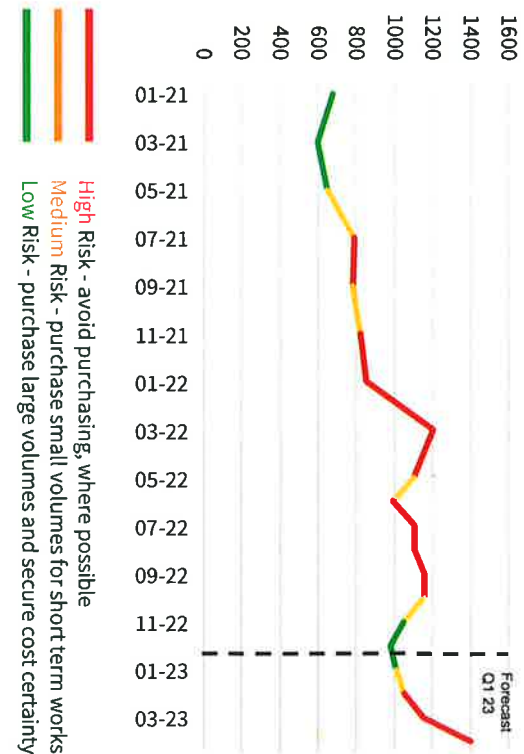
- Reduction in pricing to the market
- Caution regarding energy pricing beyond March 23

Current market position

- Current UK Rebar Market is c1.2m Tonnes per Year (c.650,000T UK produced).
- Ukrainian, Belarusian and Russian Quota Allocation now split between EU and Turkish Mills
- Turkish Coil is now restricted to 3,000 Tonnes per Quarter whereas previously it was unrestricted
- The new Quota Allocation allows for c503,000 Tonnes of import per annum. This still leaves strain on supply in a 1.2m Tonne Market
- The New UK Import Quotas are:
 - EU Mills – 33,389 Tonnes Per Quarter (Stock Bar)
 - EU Mills – 70,644 Tonnes Per Quarter (Coil)
 - Turkey – 12,567 Tonnes Per Quarter (Stock Bar)
 - Turkey – 3,084 Tonnes Per Quarter (Coil)
- All Others – 7,142 Tonnes Per Quarter (Stock Bar)
- It is estimated that over the next 2-3 years, large infrastructure projects will add around 300,000 to 400,000 tonnes of rebar into the market thus adding pressure to the situation
- Chinese and Middle Eastern rebar is now under consideration for import, however, the Chinese and Middle Eastern mills do not hold UK CARES sustainability credentials – this is a Risk to the UK Construction Market
- Pricing has reduced slightly due to a reduction in demand with current pricing levels between £980 and £990 Per Tonne
- Scrap pricing has increased during late November and early December. However, a strengthening foreign exchange (£/\$) has supported prices reducing slightly during November and early December.
- Caution should be applied to pricing as there is a high level of uncertainty in the market and European mills are reporting their base cost is now almost equal to Market Selling prices.
- Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will result in price increases. Early indication is £300-£400 per tonne!



Steel reinforcement tracker £ per tonne



Structural steel sections

RAG Status: **AMBER**

Trades affected

- Steel frame

Current market position

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

Changes on month

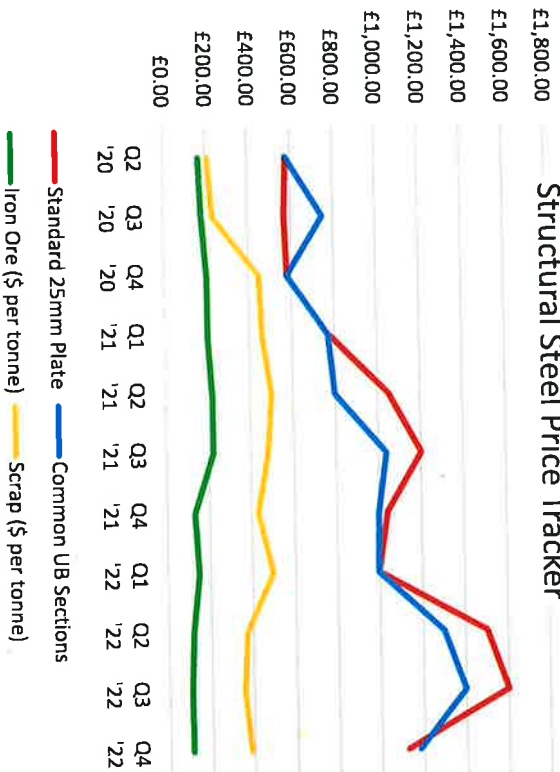
- Reduced market demand
- Reduction in pricing of UB Sections
- Reduction in pricing of Steel plate
- Increased pricing of Raw Materials

Risks

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



Structural Steel Price Tracker



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

Steel profiles

RAG Status: **GREEN**

Trades affected

- Dry lining
- SFS

Current market position

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

Risks

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

Changes on month

- No Change

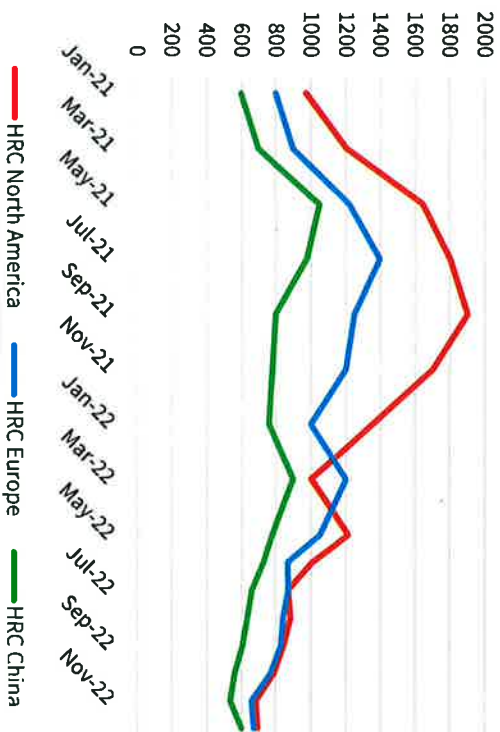
- Shipping and Fuel costs continue to rise which will further impact on finished product costs

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

- Shortfall of material available from Russia and Ukraine may lead to material shortages if the other EU mills are not able to increase demand to cover the capacity
- Forecast that we will see price increases in the SFS and Drylining sectors in the coming weeks
- HRC pricing has continued to fall during November and has reached a stable position where fluctuation is up / down by \$10 per tonne.



HRC price tracker 2021 - 2022



Cement

RAG Status: RED

Trades affected

- Groundworks
- Civils
- RC Frame
- Brickwork

Current market position

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

Risks

- Rising Energy Costs

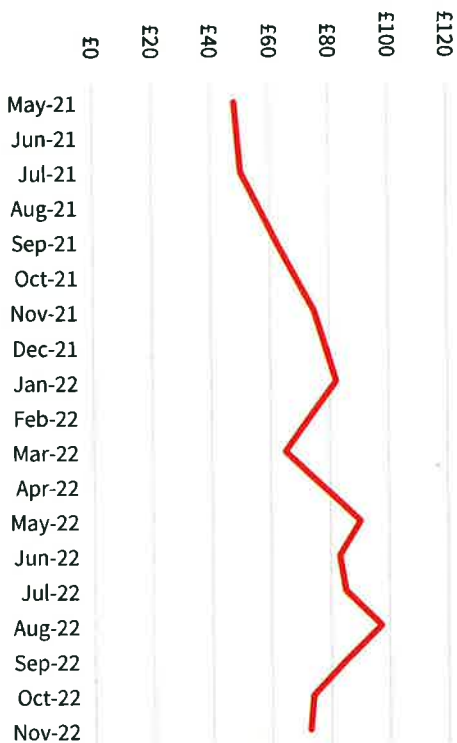
Changes on month

- No Change

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



Carbon via UK ETS



Bricks

RAG Status: **RED**



Current market position

- **Trades affected**
- Groundworks
- Brickwork
- Envelope

Risks

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

Changes on month

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

- High European dependency on Russian fuels (*gas and oil*) are a risk to the market, natural gas is particularly vital as it fuels brick kilns almost exclusively with very few exceptions.
- Increased gas costs are impacting the market from certain suppliers as 'energy surcharges' over and above the agreed cost of the bricks.
- Some Italian manufacturers have incurred 1000% price increases from their gas suppliers, leading them to reduce production to a third of capacity.
- **Energy Support for businesses is set to end 31/03/23, the withdrawal of this support will most likely result in price increases and increase the risk of less efficient UK based brick plants being mothballed during the colder months of 2023 to help deal with the high energy costs of production**
- Existing orders are working on a 10 to 20 week lead time for deliveries to site
- Manufacturer imposed allocation systems are making it difficult for large private schemes with short programmes to obtain bricks within the desired timeframe. This could ease during 2023 with a downturn in the housing market leading improved availability of bricks from most manufacturers

- Some brick types from the leading manufacturers are still being reported as not available until 2024
- Demand has reduced and the manufacturers are now reviewing pricing structures once more with a view to filling their order books. Some are actively re-negotiating the below applied price increases on a project specific basis.
- A potential down turn in the housing sector may allow for further price negotiations and a larger capacity to supply during 2023.
- Previously Imposed Price Increases, Q4 22:
 - lbstock 28.5% on 1st October 2022
 - Weinerberger 18.9% on 5th December 2022
 - Forterra 15.5% on 3rd October 2022
 - Vandersanden 32% 1st November 2022

Aluminium profiles

RAG Status: **AMBER**

Trades affected

- Curtain walling

Current market position

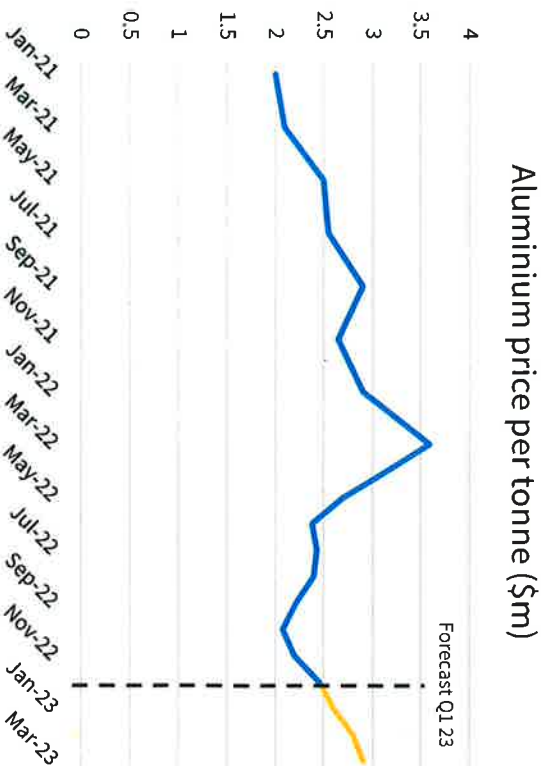
- The cost of Aluminium on the London Metal Exchange (LME) has increased continued to increase during November from \$2,215.00 Per Tonne to \$2,461.00
- The forecast in the market is that costs will continue to rise during the early months of Q1 23.

Risks

- Demand outstripping supply
- Rising cost of raw materials

Changes on month

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



Glass

RAG Status: **RED**

Trades affected

- Curtain walling & Window Systems

Risks

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

Changes on month

- No Change

Current market position

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



Plasterboard

RAG Status: **GREEN**

Trades affected

- Drylining

Risks

- Future Price Increases

Changes on month

- No Change

Current market position

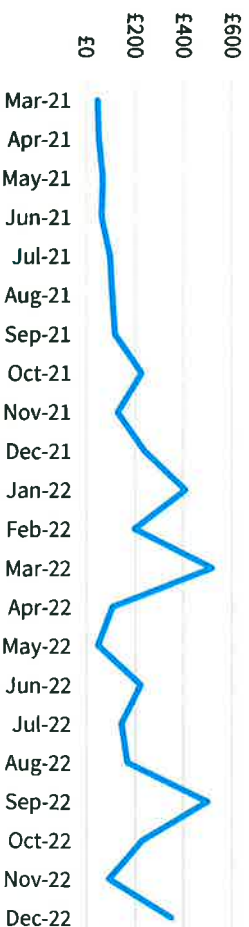
- Plasterboard availability has stabilised and lead times have now returned to 3-5 days from receipt of order.
- Caution should still be applied to lead times as front loaded programmes to avoid the pending January 2023 price increases could create a false demand in the market and unexpectedly extend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



Gas

RAG Status: **RED**

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



Current market position

Trades affected

- All

Risks

- Wholesale market increases
- Demand outstripping supply

Changes on month

- Gas pricing across Europe have increased during December

6th June 2022

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

21st June 2022

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

23rd August 2022

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

21st October 2022

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

3rd November 2022

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

17th March 2022

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

24th March 2022

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

21st April 2022

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

11th May 2022

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

24th May 2022

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

Electricity

RAG Status: **RED**

Trades affected

- All

Risks

- Wholesale market increases
- Demand outstripping supply

Changes on month

- Electricity pricing across Europe have increased during December

Current market position

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

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



23rd August 2022

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

21st October 2022

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

3rd November 2022

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

Semi-conductors

RAG Status: **RED**



Trades affected

- Sir Robert McAlpine

Risks

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

Changes on month

- No Change, still a global shortage

Current market position

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

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

Key sustainability risks

RAG Status: **RED**

Risks

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

Current market position

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

Mitigation measures

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

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Shaping public
construction

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SCF Market Intelligence Q1 2022

Agenda Item 7

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

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Introduction

Q1 Market Intelligence Report



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

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

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

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

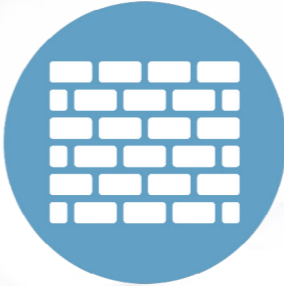
SCF shares this information with its clients to highlight key areas of risk that may impact on project delivery. SCF Main Contractors and Clients can use this information to predict pressures and opportunities in the market, to make decisions about material specification, construction methodology, off-site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

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

Trades featured



Carpentry & Joinery



Brickwork



Curtain Walling



Dry Lining



Groundworks



Concrete Frames



Mechanical & Electrical



Steelwork



Tower Cranes



Windows

Get in touch...

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



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Tender Workload

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

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

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

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

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

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

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

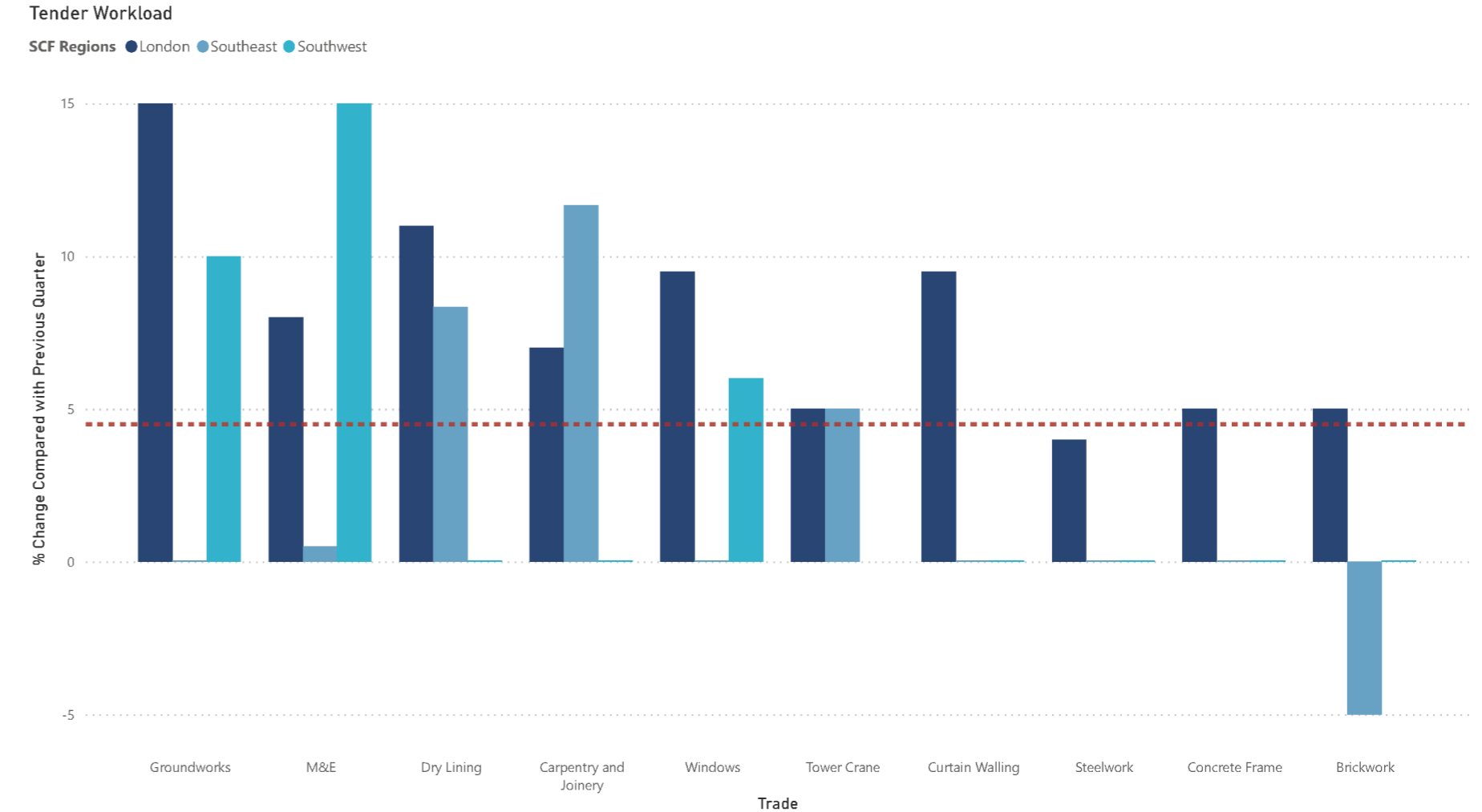
As long as a disconnect remains between high tender workload and commencement on site, recovery will be slow over the coming months.

SCF Top Tips

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

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

Tender Workload (% change since Q4 2021)



Employment

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

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

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

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

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

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

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



Adam Sanford, Operations Lead

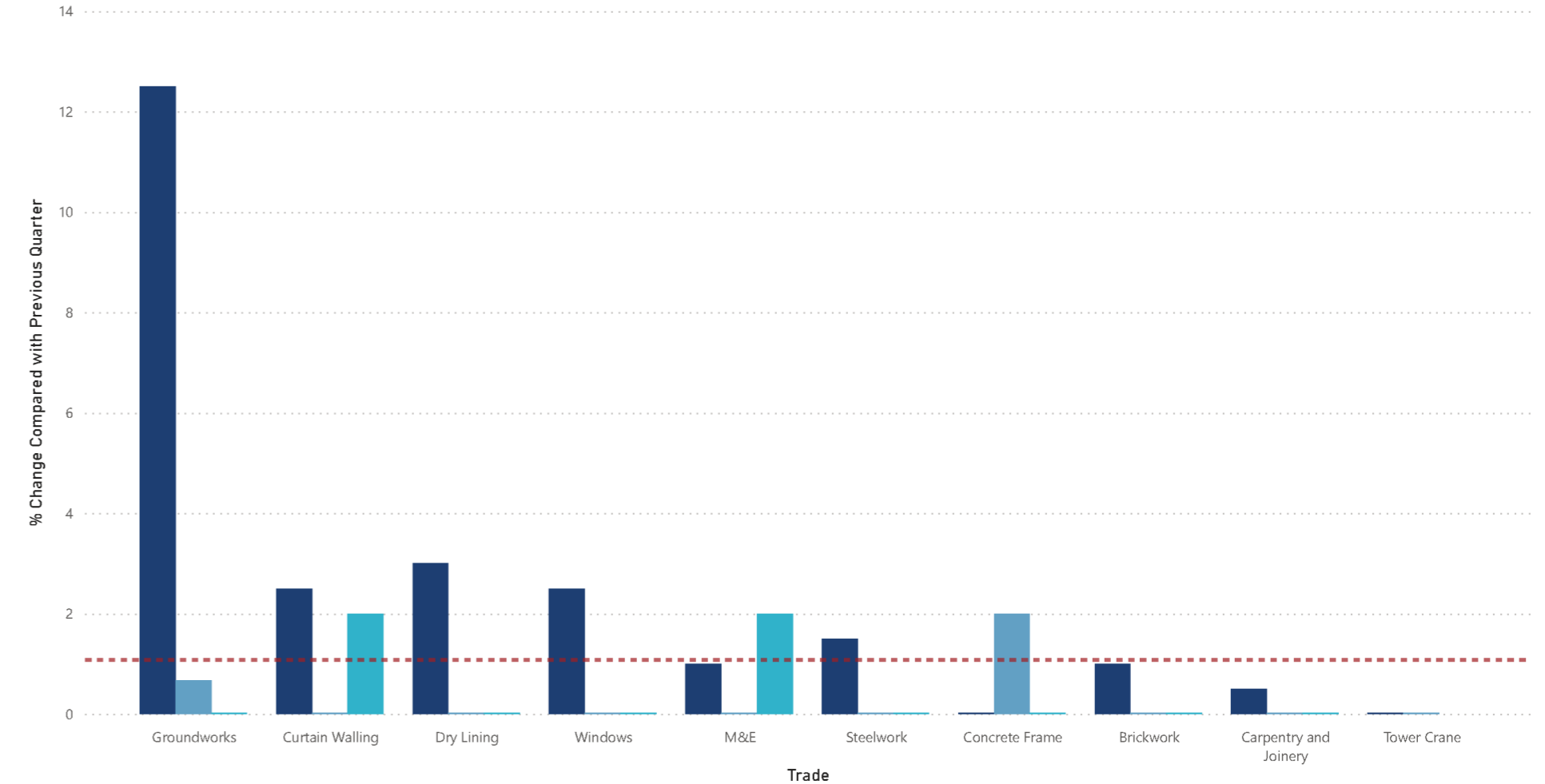
"In attempt to connect local labour and microbusinesses with large construction projects, SCF endorse the use of Work Radar. This database enables SME's, tradespersons, and Social Enterprises to express an interest in large construction pipeline. Contact information is then shared with SCF Main Contractors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

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

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

Number of Employees

SCF Regions ● London ● Southeast ● Southwest



Building Cost



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

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

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

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

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

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

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



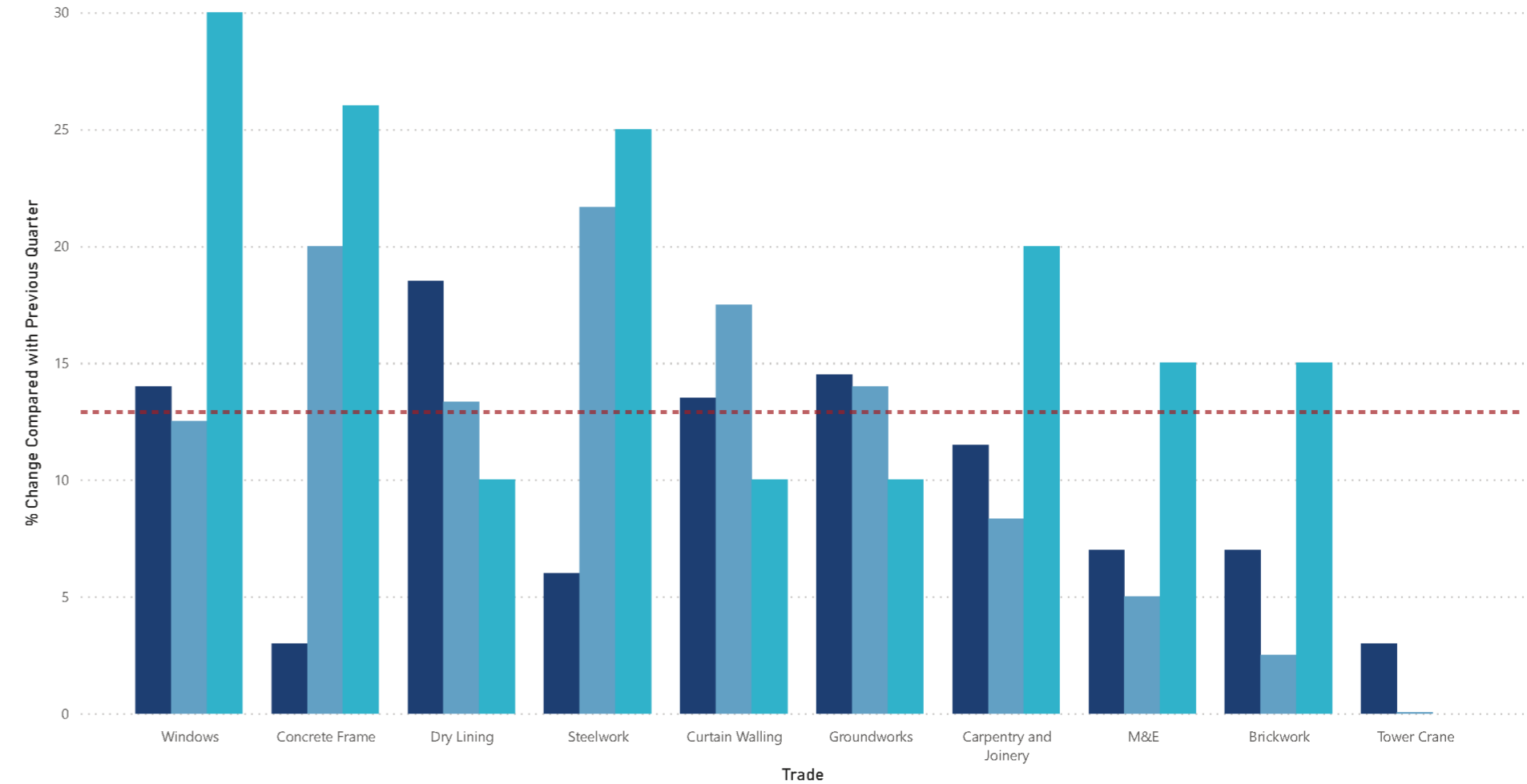
James Wright, Senior Framework Manager

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

Change in Building Cost (% change since Q4 2021)

Building Cost

SCF Regions ● London ● Southeast ● Southwest



Concrete Frame

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

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

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

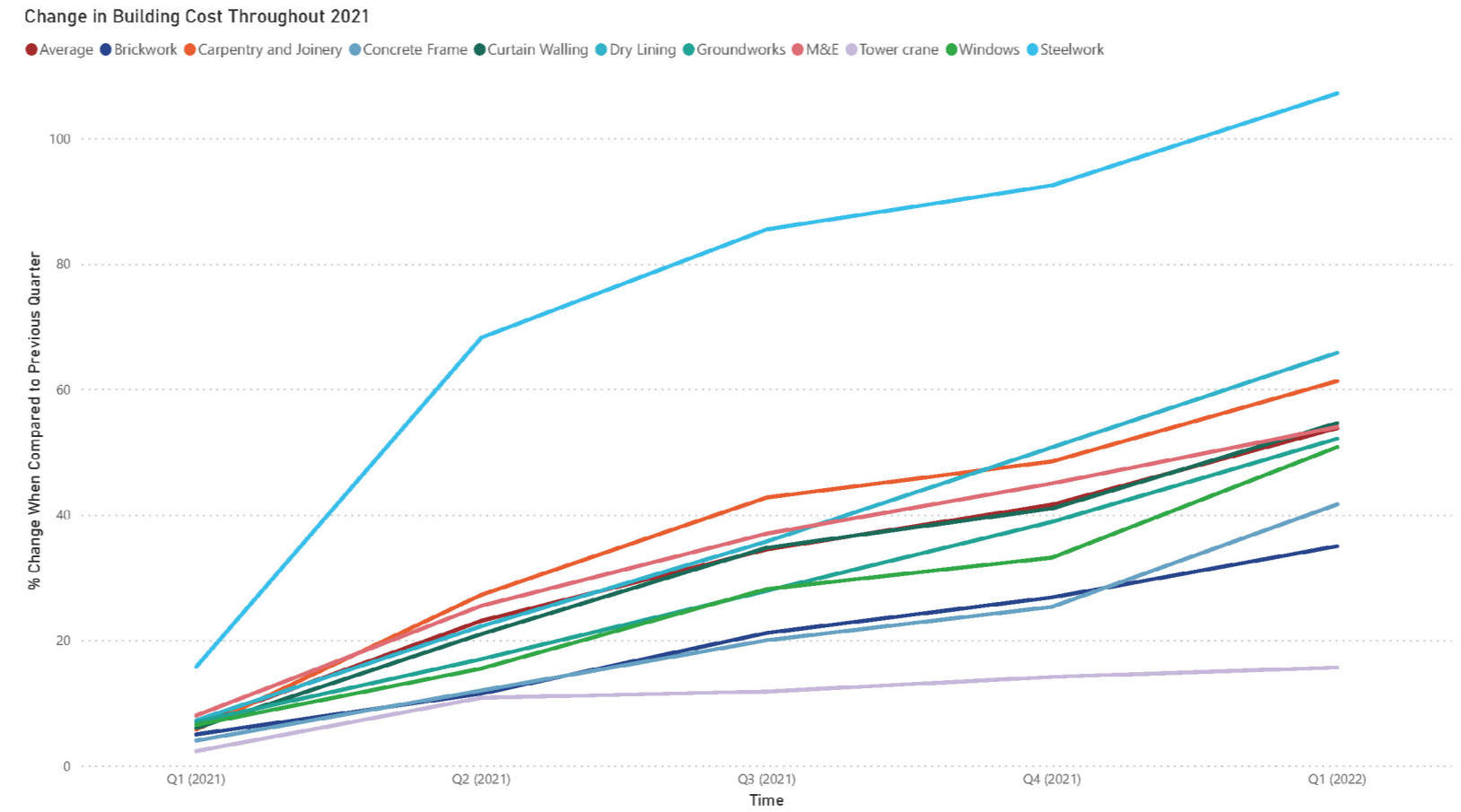
In line with 2021, steel prices have continued to erratically increase throughout the first quarter. SCF Main Contractors have identified the building cost of steelwork to have increased by 15% during Q1 alone.

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

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

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

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



Carpentry & Joinery

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

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

Windows & Dry Lining

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

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

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

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

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

Material & Labour Availability

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

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

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

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

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

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

Transport

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

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

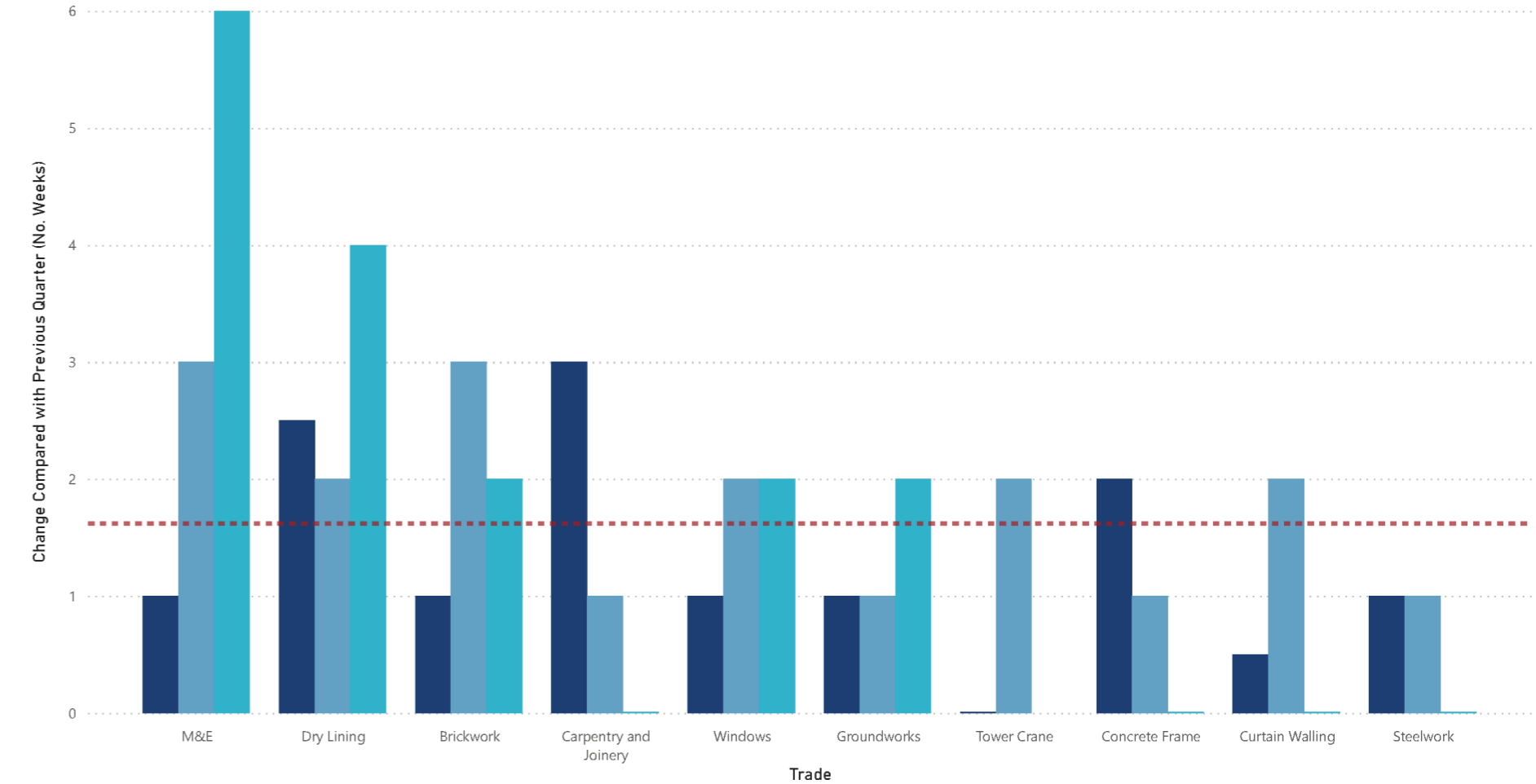
In light of Ukraine, the CLC are now committed to meeting every 3-weeks to share intelligence on the availability of construction products. A statement from the CLC has identified the following products to be of concern:

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

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

Material & Labour Availability

SCF Regions ● London ● Southeast ● Southwest



Looking ahead: 2023 Forecast

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

Tender Workload

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

Trades with the greatest forecasted increase in tender workload include:

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

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

Employment

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

Trades with the greatest forecasted increase in employment include:

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

Building Cost

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

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

Trades with the greatest forecasted increase in building cost include:

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

Material Availability

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

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

Trades with the greatest increase include:

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



SCF Consult - Reflective Note

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

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

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

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

Responsible Procurement

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

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

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

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



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

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

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

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

GLAA Head of Prevention and Partnerships Frank Hanson said:

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

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

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

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

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12 OTFORD ROAD, SEVENOAKS - BUSINESS PARK DEVELOPMENT PROJECT

Finance and Investment Advisory Committee – 11 January 2024

Report of: Strategic Head of Property and Commercial

Status: For Decision

Also considered by:

- Cabinet – 8 February 2024
- Council – 20th February 2024

Key Decision: Yes (part)

Executive Summary:

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

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

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

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

Portfolio Holder: Cllr. Thornton

Contact Officers: Detlev Munster, Ext. 7099

Recommendation to Finance & Investment Advisory Committee

That the recommendations to Cabinet be considered.

Recommendation to Cabinet:

That

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

Recommendation to Council:

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

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

Introduction and Background

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

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

The Development Scheme

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

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

9. JLL (Nov, 2023) also suggests that demand for new buildings which reduce carbon emissions in construction and during their operational life and end-of-life, is high and that new developments should seek BREEAM ratings above very good and EPC A.

10. The size of the scheme is dictated by several constraints including the need to provide an ecological buffer but also by its speculative nature. That is, the Council does not have any pre-lets at this stage and is dependent on strong market forces. To mitigate this commercial risk, only 4 business units are proposed and a drive-thru commercial unit to diversify this commercial risk. The drive-thru will take-up around half the site (the unit itself will be around 1,800sqft) with parking and a drive-thru lane. The total area of the industrial units is approximately 10,300sqft (2,500sqft average unit size). Outline specification is, eaves heights to 6.5m (21.3ft), steel portal frames with composite metal cladding. Dividing walls will be block-work and probably left out until lettings confirmed to allow flexibility in letting. See appendix A for the emerging scheme details.

11. The proposed scheme is at feasibility stage with outline drawings and initial survey work, including phase 2 ground investigations (borehole testing). Geotechnical studies note that the site has made-up ground and alluvium to around 10m depth, which means that deep foundations (piles) are necessary. Preliminary designs take this into account and this additional cost has been factored into the high-level cost plan and development appraisal.

12. Site searches highway and road assessments and legal due diligence have also been undertaken.

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

Procurement

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

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

Provisional Delivery Programme

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

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

Project Costs and Funding

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

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

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

Project Governance

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

Key Risks

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

Other Options Considered and Rejected

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

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

Key Implications

Resource Implications

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

Financial Implications

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

Legal Implications and Risk Assessment Statement

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

Equality Assessment

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

Sustainability

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

Conclusion

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

Appendices

Appendix A – Plans and Visuals

Appendix B – Project Finances and Financial Implications

Appendix C – Outline Risk Assessment

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

Background Papers

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

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

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

Detlev Munster

Strategic Head of Property & Commercial

Appendix A – Proposed Plan

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



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PROPERTY INVESTMENT STRATEGY UPDATE

Finance & Investment Advisory Committee – 11 January 2024

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

Status: For Decision

Also considered by:

- Cabinet – 8 February 2024
- Council – 20 February 2024

Key Decision: No

Executive Summary:

This report provides an update on the progress of the Property Investment Strategy to date and looks at the future direction of the strategy.

The Property Investment Strategy was approved by Council on 22 July 2014 to support the aim of the council becoming more financially self-sufficient as Government Support continued to reduce.

The acquisitions to date have helped the council achieve this aim. This report provides an update on those acquisitions.

Due to Government changes in the way councils can access Public Works Loan Board (PWLB) borrowing and the changes to CIPFA's Prudential Code, the Property Investment Strategy is no longer included in the capital programme therefore the Council cannot currently borrow to make any more property investments purely for yield.

In a changing property market and regardless of any limitations on financing, it remains important to review the criteria of the strategy on a regular basis.

Portfolio Holder: Cllr. Kevin Maskell

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

Alan Mitchell, Ext. 7483

Detlev Munster, Ext. 7099

Recommendation to Finance and Investment Advisory Committee:

- (a) That the report be noted.
- (b) Forward comments to Cabinet including any recommended changes to the Property Investment Strategy criteria.

Recommendation to Cabinet:

- (a) Cabinet considers any comments from Finance and Investment Advisory Committee and notes the report.
- (b) Any changes to the Property Investment Strategy criteria be recommended to Council.

Recommendation to Council:

Council agrees the Property Investment Strategy criteria recommended by Cabinet.

Introduction and Background

- 1 Sevenoaks District Council was facing ongoing reductions in Government support, culminating in it no longer receiving Revenue Support Grant from 2017/18. This led to a number of decisions that have been taken through the 10-year budget process to try and ensure that the council remains in a financially sustainable position.
- 2 On 7 November 2013, Cabinet approved the then Corporate Plan which set out key areas for the organisation, including the need to become financially self-sufficient. The agreed plan articulated an approach of investing in assets that would generate revenue income to allow less reliance on diminishing Government support. It went on to state that this could be done either through reviewing the use of reserves or through borrowing at low interest rates.
- 3 On 22 July 2014, Council agreed the Property Investment Strategy. The Strategy's criteria were last updated at Council on 21 February 2023 and the current criteria are included at **Appendix A**.

Funding Agreed to Date

- 4 A total of £50.3m of funding for the Property Investment Strategy (including the Sennocke Hotel) had been agreed as follows:
- a. £5m Council 22 July 2014
 - b. £3m Council 17 February 2015
 - c. £10m Council 21 July 2015
 - d. £7.3m (total spend) Sennocke (Premier Inn) Hotel, Council 3 November 2015
 - e. £25m Council 25 April 2017
- 5 £38.254m has been spent. However, as the Property Investment Strategy has now been removed from the Capital Programme, the Council is unable to make any further property investments purely for yield, therefore the unspent element of the £50.3m is no longer available for the Council to spend on the Property Investment Strategy.

Activity to Date

- 6 A summary of the income producing expenditure to date is included in the following table:

Date	Activity	Total Cost £000	2023/24 Income Yield %
Apr 2015	Suffolk House, Sevenoaks (including refurb.) (office)	5,077	9.4%
May 2015	Swanley Petrol Station and Supermarket	2,566	7.5%
Mar 2017	26-28 Pembroke Road, Sevenoaks (office)	4,673	1.6% Void period when transferring to new occupier. Expect 7% in 2024/25
Aug 2018	Premier Inn Hotel, Sevenoaks	7,332	6.4%
	Total	19,648	

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- 7 **Suffolk House, Sevenoaks (April 2015)** – This office building is in a town centre in which there are diminishing levels of office stock. It consists of a total of 16,699 sq. ft of office space over four floors with 84 parking spaces. It is managed by a property management company with costs recoverable under a service charge. All floors have been refurbished to a high standard and the rent per square foot is now significantly higher than when the building was purchased. All space is currently let. External repair and maintenance work, notably to the roof, brickwork and lead works, has been undertaken in accordance with the building’s planned maintenance programme.
- 8 **Swanley Petrol Station and Supermarket (May 2015)** – The property comprises a 2,789 sq. ft convenience store building with 15 car parking spaces, 8 multi-fuel pump forecourt with jet wash and car wash on a 0.589 acre site. The property is let on a lease expiring in August 2030.
- 9 **26-28 Pembroke Road, Sevenoaks (March 2017)** – This is a modern freehold office investment in Sevenoaks town centre. The 11,117 sq. ft building over three floors has 56 car parking spaces and is currently partially let to Towergate Insurance, who previously occupied the whole building. A new tenant has now taken occupation of the building since June 2023 on a new 20 years FRI lease and is currently undertaking refurbishment work to the premises. The lease provides for 5 yearly rent reviews.
- 10 **Premier Inn Hotel, Sevenoaks (August 2018)** – The 83 bed Premier Inn was completed in July 2018 and opened for trading on 4 August 2018. The hotel scheme and the funding method were separately approved by Council, but it is recognised as a Property Investment Strategy asset with the income being included in the budgeted figures.
- 11 The following amounts within the strategy have funded Quercus 7 investments.

Date	Activity	Total Cost £000	2023/24 Income Yield %
2016/17	Quercus 7 set up costs	13	
2018/19 onwards	Quercus 7 investments (debt 60%)	5,987	4.5%
2018/19 onwards	Quercus 7 investments (equity 40%)	3,991	
	Total	9,991	

- 12 Quercus 7 was set up to enable the Council to invest in property on a commercial basis across a range of asset categories, ensuring a sustainable income for the Council. The company is able to invest in commercial properties outside of the district and hold residential property, which the Council is not allowed to do.
- 13 The Council, which is also the Shareholder of the Company, wishes Quercus 7 to prioritise return on investment, whilst also recognising that as a public body there are sometimes wider considerations and sensitivities that the Council must consider.
- 14 The investments adhere to the principles set out in the Property Investment Strategy.
- 15 The Council as a whole holds the shares in the Company and has delegated its responsibility for overseeing the trading activities of the Company to a Trading Board, and the Leader of the Council has been nominated as the shareholder representative.
- 16 The Quercus 7 Business Plan includes a £50,000 dividend payable to the Council annually from 2023/24 and it is expected to increase to £60,000 from 2024/25..
- 17 In addition, strategic expenditure has been undertaken to secure longer term returns. These items are listed in the table below:

Date	Activity	Total Cost £000
Feb 2015	Swanley Working Men's Club (including demolition)	1,393
Feb 2017	96 High Street, Sevenoaks (retail, office) and associated site	4,554
Jul 2022	Sackville House, Sevenoaks (office)	2,886
	Total	8,615

- 18 **Swanley Working Men's Club** (February 2015) – The premises were demolished in July 2016. In June 2022, The Council made a planning

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application for 93 apartments arranged over 4 to 6 storeys on this site, together with the adjacent car park and land owned by West Kent Housing Association. The planning application was refused permission and options for the site are being reviewed in light of the decision. Aside from planning, the recent increase in interest rates and higher build costs are making it difficult to bring forward development at the current time. Alternative use class arrangements are being considered.

- 19 **96 High Street, Sevenoaks (February 2017)** – This premises consists of ground floor retail space, 1st and 2nd floor office space. The land at the rear is next to a District Council car park which in turn is next to the bus station and therefore has the potential to support the Council's regeneration ambitions. Discussions have taken place and are ongoing with KCC to include land in their ownership to bring forward a larger scheme. Consultants have been appointed with a concept plan and feasibility study prepared to establish appropriate mix of uses, values and with a view to agreeing terms with a private sector development partner. The ground floor retail space is occupied by Hospice in the Weald on a short-term lease, subject to a developer's break clause on a rolling basis. The second floor is still in occupation by Second Floor Studios CIC and their lease is being made co-terminus with that on the ground floor.
- 20 **Sackville House, 55 Buckhurst Ave, Sevenoaks (July 2022)** – The delayed purchase of this office building completed last year. The office building was purchased to facilitate the Council's wider regeneration ambitions for land to the East of the High Street. There are currently three tenants within the building. Due to the Council's regeneration ambitions, the premises are let on discounted short-term tenancies.
- 21 **Croft Road, Westerham** – This land formally in the Council's ownership was sold to a developer to build 18 residential units which are being built in two phases. The Council took up an option to acquire two houses at a discount (based on an agreed price formula), one house in each phase. The option to acquire the house in the first phase was exercised on behalf of Quercus 7, and it has since been let on an Assured Shorthold Tenancy providing regular monthly income. The option to acquire the house in the second phase was exercised by the Council, and the house was sold on the open market for £640,000, realising a return on investment of around 7%.
- 22 All of the Council's acquisitions have been supported by a thorough business case and approved by the Improvement & Innovation Portfolio Holder in consultation with the Finance & Investment Portfolio Holder as required by Council.

Property Investment Strategy Income

- 23 The 10-year budget approved by Council in February 2023 included net Property Investment Strategy income of £1.618m from 2023/24, £1.715m from 2026/27 and £1.756m in 2029/30.

- 24 Net income of £1.605m is forecast in 2023/24 - £13,000 below the budget. This is due to a void period and associated business rates costs.
- 25 An annual dividend of £50,000 will be received from Quercus 7 from 2023/24 and it is expected to increase to £60,000 from 2024/25.
- 26 The Property Investment Strategy net income budgets included in the current 10-year budget (January 2024) are included in the table below:

Year	Net Income Budget
2024/25 - 2025/26	£1.724m
2026/27 - 2033/34	£1.749m

- 27 The budgets will continue to be reviewed.
- 28 All of the net income budgets proposed are after transferring £100,000 per annum into the Property Investment Strategy Maintenance Reserve.

Funding Sources

- 29 The £38.3m spent to date has been funded by:
 - a. Property Reserve, Financial Plan Reserve and Capital Reserve £12.4m. Funds put aside for the Property Investment Strategy agreed as part of the annual budget setting process, including New Homes Bonus.
 - b. Capital receipts £11.6m. Proceeds from the sale of Council assets.
 - c. Internal borrowing £4.4m. From council balances. No interest is paid but Minimum Revenue Provision (MRP) is charged. MRP is the minimum amount which must be charged to the revenue account each year and set aside as provision for repaying loans and meeting other credit liabilities. This is a requirement for any form of borrowing so that an amount is set aside to repay the loan. An MRP charge of £150,000 is forecast in 2024/25.
 - d. Internal borrowing £9.9m. From council balances for Quercus 7 investments.
 - e. External borrowing £nil. This funding method would incur interest and MRP costs each year.
- 30 Funding options are considered on a case-by-case basis and may be funded by reserves, capital receipts, internal borrowing or external borrowing, subject to the constraints referred to in the Executive Summary and below.
- 31 During 2019, at the request of Full Council, a Member Working Group investigated Income Strip Funding as an additional funding source and

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recommended that this should be considered for funding suitable future schemes.

- 32 Each scheme is assessed to consider whether it is preferable to proceed as the Council or via Quercus 7.

Public Works Loan Board (PWLB) – Access to Borrowing

- 33 In November 2020, HM Treasury published the document ‘Public Works Loan Board: Future Lending Terms’.

- 34 This document included changes to the PWLB lending terms designed to discourage councils from investing primarily for yield by restricting access to the PWLB. Under the new rules, councils are still free to borrow for service delivery, housing, regeneration, preventative action and delivery of government priorities.

- 35 The main points are:

- a. As a condition of accessing the PWLB, local authorities are now asked to submit a high-level description of their capital spending and financing plans for the following three years.
- b. Councils intending to invest for yield are not permitted to access the PWLB.
- c. When applying for a new loan, councils are required to confirm that the plans they have submitted remain current and reaffirm that they do not intend to buy investment assets primarily for yield.
- d. The decision over whether a project complies with the terms of the PWLB is for the section 151 officer or equivalent of the council (Chief Officer – Finance and Trading).

- 36 Some schemes within the agreed capital programme are funded by PWLB borrowing. This therefore means that the Council is currently unable to invest in property purely for yield such as through the Property Investment Strategy.

- 37 Officers will continue to liaise with the Government and other bodies to ensure that there is a clear understanding of options and implications available for future use of the Property Investment Strategy by both the Council and Quercus 7.

Future Opportunities

- 38 As mentioned above, the PWLB and Prudential Code changes will impact the opportunities to make further property investments within the strategy.

- 39 It is therefore recommended that the focus of officers time on the delivery of the Property Investment Strategy should be on development of the strategic

assets listed in paragraph 17, realising their revenue potential, whilst recognising that the higher cost of finance and build cost inflation together with a deteriorating market for residential sales (albeit demand for lettings has gone up and rents have increased) may result in a delay to the delivery of major development projects.

Risks

- 40 The risks of the Property Investment Strategy are included in **Appendix B**. The risks were first assessed by the Audit Committee on 9 September 2014 and have been reviewed each year.
- 41 In terms of short-term variations in capital value, property investment is inherently more risky than leaving reserves in the bank but this was taken into account when establishing the Property Investment Strategy and setting the investment criteria. Treasury investment returns have long been below inflation levels resulting in the gradual erosion of those funds. A separate report on the Treasury Management Strategy 2024/25 is also being presented at this meeting.
- 42 The risks of each potential investment are considered by carrying out due diligence, including the following:
 - a. Valuation.
 - b. Market conditions.
 - c. Covenant strength of tenants.
 - d. Terms of leases.
 - e. Structural surveys.
 - f. Funding options.
 - g. Future costs.
- 43 It should be recognised that there may be times when there are business reasons to dispose of assets held as part of the Property Investment Strategy and invest elsewhere instead.
- 44 The Scrutiny Committee set up a Property Investment Strategy Member Working Group at their meeting on 5 July 2016 and reported their findings on 30 March 2017.
- 45 The Member Working Group concluded that the benefits of the Property Investment Strategy do outweigh the risks, provided that the council remains alive to changes in the market and financial risks.

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- 46 Internal Audit completed an audit report on the Property Investment Strategy in 2020/21. The audit opinion given in the report was of reasonable assurance.
- 47 The audit report conclusion was: "Audit fieldwork confirmed effective governance and financial arrangements are in place for the delivery of the Property Investment Strategy. The attainment of set objectives is being achieved. Existing arrangements are fit for purpose for the delivery of the Strategy and comply with Council procedures."
- 48 The assurances required over the Property Investment Strategy are considered each year as part of the risk-based annual audit planning process.
- 49 The changes to the PWLB lending terms also produce additional risks that did not previously exist.

Property Investment Strategy Criteria

- 50 The annual update report gives Members the opportunity to review the Property Investment Strategy criteria previously agreed. The current criteria are included in **Appendix A**.
- 51 The Property Investment Strategy criteria also applies to Quercus 7.

Key Implications

Financial

As previously stated in this report, the Property Investment Strategy is a major contributor to the Council remaining financially self-sufficient.

All other financial information can be found in the report.

Legal Implications and Risk Assessment Statement.

Legal resources would be required to undertake legal pre-purchase due diligence for any future acquisitions. Likewise, with disposals. This would be undertaken either internally by the Council's Legal Team or externally and a decision would be made on a case-by-case basis.

Proceeding with further pure property investments would add additional risks in light of the changes made by Government and CIPFA.

A full risk analysis is included at **Appendix B** to this report.

Equality Assessment

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

Net Zero Implications

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

Value for Money and Asset Maintenance

Value for money derived from available finances when looked at in conjunction with the Treasury Management Strategy has the ability to be increased via the Property Investment Strategy.

Conclusions

The investments previously made through the Property Investment Strategy continue to provide a reliable revenue income stream, with the potential for income and capital growth, in the long term. This will assist the Council to remain financially self-sufficient.

The Council is not currently able to make further investments purely for yield, but the situation will continue to be monitored with the aim to make further investments via the Council or Quercus 7 in future.

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Appendices

Appendix A – Property Investment Strategy

Appendix B – Property Investment Strategy – Risk Analysis

Background Papers

Report to Council 22 July 2014 – Investment Strategy

Report to Audit Committee 9 September 2014 – Investment Strategy Risk Register

Report to Council 17 February 2015 – Budget and Council Tax Setting 2015/16

Report to Council – 21 July 2015 – Property Investment Strategy

Report to Council - 25 April 2017 – Property Investment Strategy Update

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

Property Investment Strategy (agreed by Council 21/02/23)

1. The strategy will consist of a diversified and balanced portfolio of investment assets with regard to the following considerations.
2. As the portfolio has grown and property markets have changed, all asset categories are now included subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding.
3. When considering the tenure of an asset, freehold would be preferable to leasehold. Freehold provides for greater levels of security against a leasehold asset that would effectively decrease in value over time. However, assets on long leasehold basis may still be suitable for consideration.
4. Whilst properties let to only one tenant may offer an acceptable level of risk, multi-tenanted properties would be favourable as they offer the opportunity to minimise the impact of any one part of the asset being vacant due to tenant default or lease expiry. If assets are occupied by a single tenant, then detailed financial due diligence would be undertaken to ascertain their financial stability.
5. Investment opportunities are restricted to all of England, however recognising that this may need to be changed in future if legislation is amended.
6. Based on the above considerations and taking into account local market conditions, a lot size of between £1m and £10m has been set. This is to avoid the lower part of the local market where private high net worth individuals would be seeking to invest and also the high end, where Pension Funds and Life Assurance Funds tend to dominate.
7. Given the likely risk profile of an asset meeting the above considerations, the following has been set. The income yield be 3%+ above the Council's average treasury management return when not borrowing or internally borrowing, and 3%+ above the borrowing rate when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment).
8. A limited number of opportunities that include the potential for development should also be considered. This approach may have the potential to deliver an additional 20-30% return on investment.
9. Where sites that are already in the ownership of the Council could be redeveloped in partnership with neighbouring sites, added value can be derived from 'marriage' of the sites. Consideration should be given to Joint Venture (JV) projects that maximise value, with priority given to those which would result in the delivery of assets meeting the investment criteria.

10. It is expected that external specialist property investment advisors will be retained on each transaction, advising on suitability having undertaken detailed pre purchase due diligence, including valuation, risk analysis and lease / title reviews.
11. Taking all of the above considerations into account, the current criteria are:
 - i. Income yield of 3%+ above the Council's average treasury management return when not borrowing or internally borrowing, and 3%+ above the borrowing rate when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment
 - ii. Individual Properties or Portfolios
 - iii. Lot size of £1m - £10m subject to multiple tenants for lots over £5m
 - iv. Freehold / Long Leasehold
 - v. Single or Multi Tenanted
 - vi. Asset categories: all subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding.
 - vii. Investment opportunities be restricted to all of England.
 - viii. Potential to increase rental income, through pro-active Asset Management
12. The Strategic Asset Management and Operational Property Management of the portfolio be delivered from existing resource within the Council's Economic Development and Property Team. There will however be times when specialist external advice is needed and this work will be commissioned on an 'as required' basis, funded from the income from the assets. This approach is to be reviewed regularly, including ongoing resource requirements, as the portfolio grows.
13. Funding for the acquisition of assets should be reviewed on a case by case basis but could be derived from a number of sources:
 - Receipts from previous property disposals.
 - Receipts from proposed land / property disposals in future years.
 - Internal borrowing.
 - Borrowing from the Public Works Loan Board.
 - Borrowing from the Municipal Bonds Agency.

- Income strip funding.
14. Each scheme will also be analysed to decide whether it is preferable to proceed as the council or via Quercus 7.

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Property Investment Strategy – Risk Analysis

The Property Investment Strategy risks are detailed below. Each risk is first assessed **gross** (without existing controls in place) and then re-assessed following the identification of key controls to give the **net** score. Each risk is also given a **target** score, which is the desired rating for the risk. The overall **rating (R)** is derived by multiplying the **likelihood (L)** and the **impact (I)**.

		Net Risk Ratings				
Likelihood	Very Likely (5)					
	Likely (4)					
	Possible (3)		9b	12		
	Unlikely (2)		9d	4,9a,9c,9e	1	
	Very Unlikely (1)		3	7	2a	2b,5,6,8,10,11
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
		Impact				

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
Property Investment Strategy Lead Officers: Adrian Rowbotham & Detlev Munster											
1) Downturn in property market	<ul style="list-style-type: none"> Poor Return on Investment (ROI) on selling/rental 	3	5	15	<ul style="list-style-type: none"> Contracts to have rent review, break clauses etc. Investments are credit secure and can be retained through any market downturn. No requirement by SDC to liquidate investments in medium term. No requirement from SDC to minimise or contain reported mark to market variability. 	2	4	8	2	4	8

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
2) a. Poor quality construction/management	<ul style="list-style-type: none"> • Repairs • Defects • remedial work • customer dissatisfaction • loss of reputation • legal action • additional costs not built into financial plan 	1	5	5	<ul style="list-style-type: none"> • Robust contracting process. • Pre-purchase surveys. • High quality spec. • Quality assurance clauses. • Warranties. • Procurement processes. • Clauses for liquidated damages. • Build relationships with contractors - understand their quality ethos. • Do not work with contractors who have a record issue or no track record. 	1	4	4	1	4	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> • Ensure contractor has sufficient covenant to stand behind their commitments. • Property Investment Strategy Maintenance Reserve. 						
b. Poor quality construction/management	<ul style="list-style-type: none"> • Risks to personal health and safety - defects, gas, electricity, legionella, etc. 	2	5	10	<ul style="list-style-type: none"> • Surveys; risk assessment techniques; CDM (Construction, Design & Mgt Regs); using registered suppliers and installers. 	1	5	5	1	5	5
3) Possibility of challenge re: unlawful subsidy	<ul style="list-style-type: none"> • Legal challenge to Quercus 7. 	2	2	4	<ul style="list-style-type: none"> • Full cost recovery. 	1	2	2	1	2	2

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Loans obtained at commercial lending rates. Charging Directors and others' time to the Company. Legal due diligence pre contractual commitment. 						
(b) Inability to attract and retain suitable purchasers/tenants.	<ul style="list-style-type: none"> Poor ROI void periods loss of rental income 	3	4	12	<ul style="list-style-type: none"> Demand for residential property remains high. Taking up references. Early engagement with potential buyers/tenants. Quality product to attract purchasers/tenants. Property Investment Strategy 	2	3	6	2	3	6

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					Maintenance Reserve to support downturn in market for tenants i.e. finance voids or rent shortfalls.						
5) Failure to fully assess sites and conditions	<ul style="list-style-type: none"> Defects remedial action costs failure to attract purchasers/tenants. void periods poor ROI 	2	5	10	<ul style="list-style-type: none"> Robust appraisals and surveys to be undertaken before progressing. Pre-application planning advice. Knowledge of location/market. Extensive due diligence process. 	1	5	5	1	5	5
6) Insufficient resources, capacity, skills to plan and manage projects.	<ul style="list-style-type: none"> Inability to close deals as insufficient due diligence Loss of reputation 	3	5	15	<ul style="list-style-type: none"> Procurement of specialist resources not available in-house. Appointment of staff with 	1	5	5	1	5	5

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					adequate skills for purpose.						
7) Increase in voids/and void turn-around time/re-let times	<ul style="list-style-type: none"> Income from rent is reduced and cash flow compromised 	3	3	9	<ul style="list-style-type: none"> Employment of experienced agents to manage lettings. Sale of property an option. Reconsideration of operating model. Property Investment Strategy Maintenance Reserve to support downturn in market for tenants i.e. finance voids or rent shortfalls. 	1	3	3	1	3	3

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
8) Purchase not supported by red book valuation	<ul style="list-style-type: none"> Unable to secure purchase 	4	5	20	<ul style="list-style-type: none"> Red book valuation obtained prior to offer. 	1	5	5	1	5	5
9) a. Financial risk: properties not re-let	<ul style="list-style-type: none"> Rents not achieved. Reduced income - 	3	4	12	<ul style="list-style-type: none"> Invest in areas with high demand. 	2	3	6	2	3	6
b. Financial risk: tenant default on rents	<ul style="list-style-type: none"> Rents not achieved. Reduced income 	3	4	12	<ul style="list-style-type: none"> Careful vetting of tenants pre-contract. Limit exposure to an individual tenant. Tight T&Cs in lease agreements. Prompt chasing of rent arrears. 	3	2	6	3	2	6
c. Financial risk: property market falls	<ul style="list-style-type: none"> Values reduce. Reduced income 	2	3	6	<ul style="list-style-type: none"> Diversified portfolio. 	2	3	6	2	3	6

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Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					<ul style="list-style-type: none"> Actively assess market value. Preparedness to sell if exposures are increasing. 						
d. Financial risk: higher operational costs	<ul style="list-style-type: none"> Reduced net income 	2	2	4	<ul style="list-style-type: none"> Tight budget and cost control. Adopt corresponding terms in lease and agency agreements. 	2	2	4	2	2	4
e. Financial risk: defects	<ul style="list-style-type: none"> Reduced let ability. Reduced income 	2	4	8	<ul style="list-style-type: none"> Conduct regular planned maintenance work and periodic inspections. 	2	3	6	2	3	6
10) Failure to comply with taxation issues, Corporation tax and VAT.	<ul style="list-style-type: none"> Legal challenges 	2	5	10	<ul style="list-style-type: none"> Internal and/or external advice sought in relation 	1	5	5	1	5	5

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
					to taxation to ensure compliance.						
11) Poor management of property	<ul style="list-style-type: none"> • Risk to tenants • Health and Safety • Defects, gas, electricity etc. 	2	5	10	<ul style="list-style-type: none"> • Engage experienced and qualified management agents. • Staff to keep abreast of statutory requirements. • Appropriate DMS and compliance regimes in place. 	1	5	5	1	5	5
12) Political change – local or national	<ul style="list-style-type: none"> • Changes in policy and/or legislation affecting business model. • Increased financial burden placed which cannot be recouped from service charges. 	3	5	15	<ul style="list-style-type: none"> • Maintenance provisions are held. • Where possible, tenants required to ensure upkeep and compliance. 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
	<ul style="list-style-type: none"> Changes to building standards resulting in uncosted refurbishments. Reputational damage. 				<ul style="list-style-type: none"> Lease agreements are carefully structured. Maintain overwatch of political/policy changes as a result of local or national political change. 						

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

Finance and Investment Advisory Committee – 11 January 2024

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

Status: For Consideration

Also considered by:

- Cabinet – 18 January 2024

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

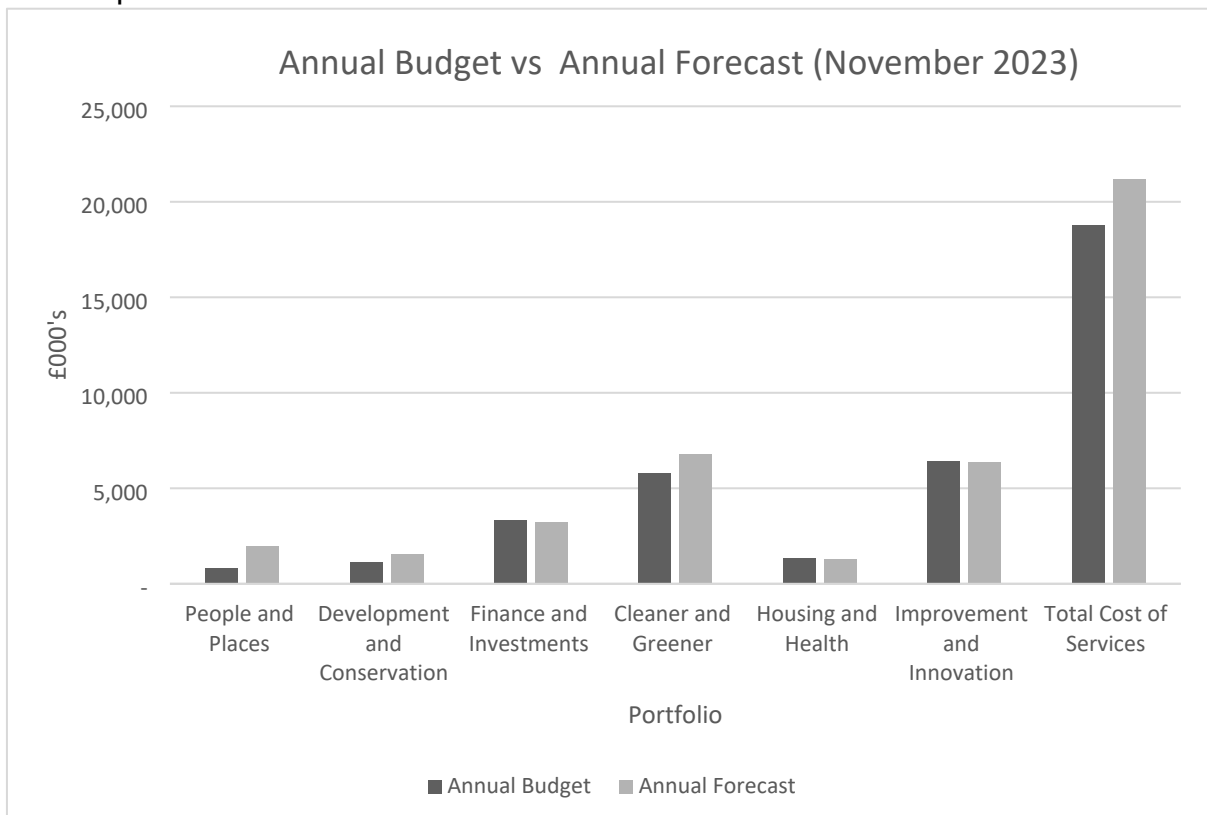
- 1 At the May meeting of the Finance and Investment Advisory Committee a report was presented outlining areas of financial pressure that might materialise during the year ahead (Financial Monitoring 2023/24 – Early Indications).
- 2 The pay award has now been agreed and paid to staff in December. The Pay Award was agreed at £1,925 per person or 3.88% on SCP43 and above and that allowances would also increase by 3.88% and the actual cost was £597,000 above budget. The previous forecast had included a £750,000 but this was

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based on all staff receiving the award but due to vacancies the actual cost was lower.

- 3 Officers have undertaken a number of actions to reduce the forecasted variance from the unfavourable variance of £1.489m reported in July 2023 to an unfavourable of £334,000 at the end of November 2023.
- 4 The graph below shows the Net Service Expenditure 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.

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Service	Summary	£000's
Corporate - Other	Vacancy pot contributions	(76)
Car Parks	Overachieved income	(251)
CCTV	Staffing and transmission costs	99
Refuse Collection	Agency costs	585
Trade Waste	Agency costs	266
Green Waste	Underachieved income	164
Cesspool Emptying	Underachieved income	90
Depots	Transport repair and income reduction	53
Markets	Contract renewal	78
Planning - Appeals	Appeal costs	136
Planning - Development Management	Service investment and salary costs	107
Planning - Enforcement	Agency costs	79
Swanley Meeting Point	Underachieved income and salary costs	60
Leisure Contract - Interim	Impact of the interim leisure contract	1,338
Leisure Contract - Interim	Funded from Reserves	(1,338)
Leisure Contract	Grant received	(188)
Interest Receipts	Higher Interest rates	(565)
Business Rates	Expected to be above safety net level	(91)
Planning Services	Provisional Supplementary Estimate	(120)
Other	small variances	(60)
Pay award	Cost in addition to budget	597
Salaries	Vacancies	(629)
Total Forecasted Deficit		<u>334</u>

Areas of Note

- 6 Interest Receipts – the Council made the decision to invest £5m for a 5 year period on multi-asset income funds which has resulted in excellent returns resulting in a favourable forecast variance of (£565,000).
- 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.

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- 8 Leisure Contracts is forecasting a favourable variance of £188,000 due to a grant of £132,000 being received from the Government's Swimming Pool Support Fund to contribute to running costs and also income for the White Oak Leisure Centre contract.

Net Service Expenditure - Favourable Variances

- 9 There have been a number of staff vacancies this year (£629,000). These include General Admin (Post/Scanning) , Private Sector Housing and Support – Contact Centre. The savings forecasted are partly being used to offset agency costs used to cover the vacancies and contribute to the overall financial position.
- 10 This saving is in addition to £76,000 over the budgeted vacancy pot contributions of £160,000.

Net Service Expenditure - Unfavourable Variances

- 11 Direct Services are reporting an overall unfavourable net variance of £1.0m after additional car parking income. This forecast reflects the cost of running the service at current waste levels and service delivery standards. It reflects higher agency staff costs and 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.
- 12 Planning – Development Management are forecasting an unfavourable variance of £107,000 due to the additional investment required to deliver the service and salary costs.
- 13 Planning Appeals is reporting an unfavourable variance of £136,000 due to the Council losing the appeal on the Oakhill Road planning application. Also £20,000 was spent to clear dangerous trees on the site due to the council owning the site for longer than planned. These costs are proposed to be offset by the utilisation of supplementary estimates which reflects that this expenditure is outside the scope of the budget process.
- 14 Print Shop is reporting an unfavourable variance of £60,000 due to underachievement of external business income and salary costs.
- 15 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.

Capital Programme

- 16 The Capital programme budget for 2023/24 is £33m. Current Progress on the projects is shown within Appendix B and the forecast position is currently £10.7m.

- 17 The difference between forecast and budget is due to revision of the planned Affordable Housing acquisition and a delay in the Bevan Place and White Oak Residential schemes.

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.

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Appendices

Appendix A – November 2023 Budget Monitoring Commentary

Appendix B – November 2023 Financial Information

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

People and Places	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Domestic Abuse Duty	0	-23	-23	0	Home Office funding received in advance to support post salary and project budget. Post recently became vacant and is being recruited to.
Leisure Contract	-201	-319	-117	-188	Quarterly management fee for White Oak Leisure Centre invoiced and received. Funding received in advance from successful bid to Swimming Pool Support Fund.
Leisure Contract - Interim	0	806	806	1,338	Impact of the interim leisure contract (Asset purchase, mobilisation, Q1 management fee and utilities).
Police & Crime Commissioners (PCCs)	0	-23	-23	0	Funding received in advance from Police and Crime Commissioner.
Tourism	17	-124	-141	0	Grant received ahead of spend.
Future Issues/Risk Areas					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.
					The impact of Kent County Council's budget savings may impact the Council, notably as any reductions in youth, community safety or communities funding, may see a possible cost and customer shunt to us.

Development and Conservation	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Building Control Non Fee	50	64	14	28	Forecast salary overspend due to pay award.
Building Control Fee	-147	-143	3	19	Forecast overspend due to the above and agency staff required due to staff vacancies.
Local Development Plan	0	75	75	0	Spend to be funded from Local Development Plan reserve.
Planning - Appeals	145	231	85	136	Expenditure on Hearings and Public Inquiries, including significant spend following an appeal hearing on Oakhill Rd
Planning - CIL Administration	-21	-15	6	20	Forecast unachieved on CIL Admin fees.
Planning - Development Management	-25	-56	-31	107	Income ahead of budget as a result of a large fee application.
Planning - Enforcement	211	292	81	79	Additional staffing costs due to contractors covering vacant posts.
Administrative Expenses - Planning Services	33	61	28	39	Recruitment advertising cost and training costs.
Future Issues/Risk Areas					There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts. Recruiting to vacant posts continues to be difficult. The financial impact of proposed changes to the Planning System will need to be carefully considered.

Finance and Investment	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Asset Maintenance CCTV	13	4	-9	-15	No further spend required on CCTV at the depot.
Dartford Rev&Ben Partnership Hub (SDC costs)	1,396	1,560	164	0	Additional software costs to be covered by reserve. Additional resource to be partly funded by Dartford BC.
Dartford Audit Partnership Hub (SDC Costs)	157	126	-31	0	Underspend on salaries due to vacancy.
Local Tax	-68	-120	-52	-63	New Burdens funding ahead of spend for government new service implementation.
Misc. Finance	818	798	-20	-22	Underspend on Covid 19 related cleaning materials.
Administrative Expenses - Finance	14	28	15	10	Additional expenditure on consultancy to implement Direct Debits
Support - Exchequer and Procurement	153	142	-11	-8	An underspend on salaries due to all posts being budgeted at top of band but not all posts are being paid this. In addition a salary sacrifice has reduced pay costs.
Support - Legal Function	196	208	11	0	Vacant Post will offset Locum - (Jan-Mar £15k budget)
Future Issues/Risk Areas					

Finance and Investments	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Asset Maintenance Argyle Road	55	35	-20	0	Spend currently behind profile.
Asset Maintenance Leisure	132	40	-92	0	Budget being treated as an emergency fund due to age of assets.
Asset Maintenance Support & Salaries	67	30	-37	4	Spend currently behind profile.
Car Parks	-1,275	-1,411	-136	-251	Day tickets charge income is exceeding budget but season tickets income is underachieving. Utilities bills higher than budget.
CCTV	195	253	58	99	Increased staffing costs to cover vacancies and training. Transmission cost savings not yet implemented due to market conditions. Cost review with BT (Supplier) underway.
Car Parking - On Street	-327	-365	-38	0	On Street day tickets exceeding budget.
Refuse Collection	180	534	354	585	High quantities of waste and recycling still continue. Increased agency and salary costs to cover sickness and annual leave, along with the 2023/24 pay award affect.
Trade Waste	-140	84	223	266	Income forecast lower than budget. Waste disposal charges per tonne have significantly increased.
Green Waste	-124	-36	88	164	Income expected to be lower than budget. Underspend on vacant posts, offset by agency costs.
Street Cleansing - Operational	10	-47	-57	-42	Lower transport costs and increased recharges for services, along with lower repair costs. A grant of £25k received for The Gum Project.
Transport Workshop	42	52	10	12	Reduced income on repairs due to investment of new vehicles, offset by reduced expenditure across the services.
Cesspool Emptying	-60	1	61	90	Lower demand for service than budget assumption. Service making a loss.
Pest Control	-32	-2	30	49	Lower demand for service than budget assumption. Service making a loss.
Fly Tipping	-30	-3	27	32	Service requiring major repairs to vehicles.
Fleet	-99	-135	-36	-32	Underspend due to a subsidised levy on testing HGV vehicles. This ended on 1st August 2023. Full costs are now being paid. Fleet servicing recharge lower due to the leasing of new vehicles.
Depots	-47	-6	41	53	Internal recharges relating to work orders from other departments lower than budget. Also income reduction.
Emergency - Operational	-18	-29	-11	-13	Lower transport costs due to keeping vehicle and equipment longer.
Grounds Maintenance	-22	-15	7	28	Overspend due to agency costs.
Emergency	55	48	-8	-12	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	-2	-24	-22	-8	Work relating to 2022/23 still continuing for Tandridge DC for a fee. Income collected relating to 2022/23 to be paid over.
Estates Management - Buildings	19	47	28	49	Overspend forecast due to sinkhole at Shurlock Avenue risk management.
Housing Other Income	-9	-40	-30	-27	Overachieved income.
Licensing Partnership Hub (Trading)	-1	-22	-22	-0	Hub expenditure currently behind budget profile.
Licensing Regime	60	40	-20	-12	Forecast salary underspend.

Finance and Investments	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Markets	-303	-255	48	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.
Off-Street Enforcement	40	8	-31	-41	Forecast to overachieve on penalty notice income.
Parks - Greensand Commons Project	0	26	26	0	Externally funded project. Spend will be reclaimed.
Parks and Recreation Grounds	94	84	-11	-15	Repairs and maintenance charges lower than budget.
Parks - Rural	126	159	33	40	Tree works on Oakhill Rd required due extended SDC ownership following the Development Management Committee refusal. (£20k). Works to Mill Pond also contributing to the adverse forecast.
Street Cleansing	1,046	1,057	11	21	Underachieved income.
Support - Central Offices	477	454	-23	-4	Forecast an overspend on gas and a underspend on electricity supply and repairs and maintenance to Argyle Road. Favourable variance should decrease as we head into the winter months.
Support - Central Offices - Facilities	159	131	-29	-13	Underspend due to invoices due from previous cleaning contract and current vacant posts
Support - General Admin (Post/Scanning)	164	94	-70	-58	Forecast EOY position due to underspend on salaries coupled with corporate economy of scale on postage
Support - Direct Services	35	42	7	11	Higher postage costs and staff advertising for vacant posts attributed to adverse forecast.
Future Issues/Risk Areas					Government changes to refuse collection and funding 2024/25

Housing and Health	Budget to Date £'000	Actual to end of November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Gypsy Sites	-4	-1	3	12	Predicted under recovery in rents from vacant plots. Work to refurbish 3 pitches is due to complete in December and new tenancies have been awarded, which will help recover some of the rental income. Additional funding is being sought to refurbish a further 7 pitches.
Homeless	455	438	-17	-16	Increased demand on temporary accommodation, with less than 30% Housing Benefit able to be claimed.
Housing	128	130	2	18	Additional staff costs, which are funded externally. Overspend highlighted will be offset by external funding.
Housing Energy Retraining Options (HERO)	39	-10	-49	-24	Salary underspend due to vacant posts - HERO Housing Team Leader current vacant, but an interim appointment from existing staff will cover this post.
Homes for the Ukrainians	28	-569	-597	0	Funding received in advance from Kent County Council with property checks, housing and staffing resource in place.
KCC- Household Support Fund	0	94	94	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.
Private Sector Housing	141	102	-39	-60	Home Upgrade Grant salary cost received in advance. Salary underspend due to vacant posts - two Senior Private Sector Housing Officers since recruited to.
Rough Sleepers Initiative 2022-25	29	-52	-81	0	Rough Sleepers Initiative funding - received in advance. On track to spend in full.
Rough Sleepers Programme	0	-45	-45	0	Funding received in advance from Rough Sleeping Accommodation Programme and supporting staffing, customer support and accommodation support.
One Year - Kent Public Health	-10	-36	-25	0	Funding received from Dartford, Gravesham & Swanley Health and Care Partnership to support a recently recruited community and health projects officer. Post recruited to.
Housing and Health Project	16	0	-16	0	Externally funded project now evaluated and closed.
Future Issues/Risk Areas					<p>New placements into Temporary and Emergency Accommodation have started to increase due to the cost of living. Securing affordable move on accommodation in the district for existing placements, continues to be a challenge and 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 district. A further 8 units will come on line in early 2024 to support Homes for Ukraine households living in the District. The Council has worked with the Heart Foundation to secure the lease of a rental property (Stay Green House) in the district.</p> <p>A pressure on homelessness and temporary accommodation is being seen as host placements end as part Govt's Homes for Ukraine Scheme. Alongside pressures from other resettlement schemes, including the Afghan Resettlement Scheme is only serving to increase the pressure on budget resources. The Council has received funding to support some costs associated with Homes for Ukraine, but this support ends on 31 March 2024. Capital funding secured by Quercus Housing via the Local Authority Housing Fund will also secure the acquisition of affordable housing to support refugee schemes - however, all funding must be spent by 31 March 2024.</p> <p>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 was approved in July and funding was secured to bring x3 of the most damaged pitches and utility blocks back into use, with works being completed in October 2023 and the pitches allocated.</p> <p>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.</p> <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. The Council is also seeing its highest numbers of homeless approaches due to domestic abuse.</p>

Improvement and Innovation	Budget to Date £'000	Actual to November 23 £'000	Variance to date £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Asset Maintenance IT	187	144	-43	0	As per long term asset maintenance plan.
Corporate Management	681	652	-28	-11	Underspend on salaries and external services
Corporate - Other	75	0	-75	-76	Additional savings generated from vacant posts exceeding budget.
Economic Development	34	21	-13	0	Current underspend on services, spend in future months planned.
Swanley Meeting Point	40	85	45	60	Overspend on salaries and agency costs. Underachieving income.
Economic Development Property	423	345	-78	-89	Underspend on salaries due to vacancies be filled.
UK Share Prosperity Fund	0	-150	-150	0	Grant received ahead of spend.
Elections	63	291	228	3	Costs of the May 2023 elections to be partially recharged to Town & Parish Councils. District costs to be met from earmarked elections reserve
Land Charges	-34	-3	31	45	Forecast underachievement on income of around £68k partially offset by a draw on previous grants received
Members	328	309	-18	2	Members Allowance pay award now included which was higher than assumed in the budget, slightly offset by underspends on travel and refreshments.
Register of Electors	151	147	-4	44	Forecast adverse variance at year-end related to costs of postage for household notification letter, to be met from earmarked reserve
Administrative Expenses - Legal and Democratic	59	37	-22	-19	Current variance due to underspend on printing / & Publications offered up a new saving ? Query show as forecast underspend???
Support - Contact Centre	529	490	-40	-14	Underspend on salaries due to staff turnover
Support - General Admin (Print Shop)	37	62	25	49	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.
Support - IT	885	888	3	11	Forecast overspend primarily due to impact of pay award
Support - Human Resources	399	380	-19	-18	Current variance due to review of training spend
Future Issues/Risk Areas					

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Appendix B : Summary by Service

Position as at the end of November 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	(4)	(3)	(0)	(5)	-
Community Development Service Provisions	(6)	(6)	-	(6)	-
Community Housing Fund	(0)	-	(0)	-	-
Community Safety	85	88	(2)	132	0
The Community Plan	24	26	(2)	39	0
Grants to Organisations	183	185	(2)	202	1
Leisure Contract	(319)	(201)	(117)	142	(188)
Leisure Contract - Interim	806	-	806	1,338	1,338
Leisure Development	8	11	(4)	15	-
Admin Expenses - People & Places Communities	3	10	(7)	11	(8)
Tourism	(124)	17	(141)	35	-
West Kent Partnership	1	8	(7)	-	-
Youth	47	41	5	56	(1)
Total People & Places SDC Funded	704	175	528	1,959	1,143

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
People & Places Externally Funded	£'000	£'000	£'000	£'000	£'000
Youth Mentoring Projects	(1)	-	(1)	-	-
Compliance & Enforcement	0	-	0	-	-
Domestic Abuse Duty	(23)	-	(23)	-	-
KCC Helping Hands	(0)	-	(0)	-	-
Local Strategic Partnership	6	-	6	-	-
Police & Crime Commissioners (PCCs)	(23)	-	(23)	-	-
Community Sports Activation Fund	(7)	-	(7)	-	-
West Kent Enterprise Advisor Network	14	17	(3)	-	-
West Kent Partnership Business Support	(3)	-	(3)	-	-
People & Places Externally Funded	(38)	17	(55)	-	-
Total People & Places	665	192	473	1,959	1,143

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Development and Conservation	£'000	£'000	£'000	£'000	£'000
Building Control Non Fee	64	50	14	94	28
Building Control Fee	(143)	(147)	3	(201)	19
Design and Conservation	108	106	2	159	-
Dangerous Structures	-	2	(2)	1	(2)
Planning Policy	354	350	4	562	-
Local Development Plan	75	-	75	-	-
Planning - Appeals	231	145	85	334	136
Planning - CIL Administration	(15)	(21)	6	(39)	20
Planning - Counter	(1)	-	(1)	-	6
Planning - Development Management	(56)	(25)	(31)	152	107
Planning - Enforcement	292	211	81	411	79
Planning - Development Management - Software Project	-	-	-	-	-
Administrative Expenses - Building Control	1	5	(4)	1	(3)
Administrative Expenses - Planning Services	61	33	28	89	39
Total Development and Conservation	969	709	261	1,562	428

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Finance and Investments	£'000	£'000	£'000	£'000	£'000
Asset Maintenance CCTV	4	13	(9)	4	(15)
Asset Maintenance Countryside	1	6	(5)	9	-
Asset Maintenance Direct Services	27	29	(2)	43	-
Asset Maintenance Playgrounds	5	11	(6)	16	-
Asset Maintenance Public Toilets	10	11	(1)	16	-
Benefits Admin	219	211	8	181	(6)
Benefits Grants	(19)	(17)	(3)	(25)	-
Corporate Management	0	-	0	-	-
Dartford Rev&Ben Partnership Hub (SDC costs)	1,560	1,396	164	(3)	-
Dartford Audit Partnership Hub (SDC Costs)	126	157	(31)	(1)	0
Housing Advances	-	1	(1)	1	-
Local Tax	(120)	(68)	(52)	(78)	(63)
Misc. Finance	798	818	(20)	1,483	(22)
Administrative Expenses - Chief Executive	5	9	(4)	18	(1)
Administrative Expenses - Finance	28	14	15	33	10
Administrative Expenses - Revenues and Benefits	-	-	-	-	-
Administrative Expenses - Strategic Property	8	3	5	3	-
Support - Rev & Ben Control	169	165	4	245	(4)
Support - Counter Fraud	42	42	(0)	66	2
Support - Audit Function	145	138	7	202	(9)
Support - Exchequer and Procurement	142	153	(11)	217	(8)
Support - Finance Function	185	191	(6)	283	7
Support - Legal Function	208	196	11	289	0
Support - Procurement	6	5	1	7	-
Support - Property Function	42	40	2	66	5
Treasury Management	92	92	1	130	(1)
Total Finance and Investments	3,682	3,615	66	3,206	(104)

Position as at the end of November 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	35	55	(20)	82	-
Asset Maintenance Other Corporate Properties	24	24	0	36	-
Asset Maintenance Hever Road	24	28	(4)	42	-
Asset Maintenance Leisure	40	132	(92)	197	-
Asset Maintenance Support & Salaries	30	67	(37)	153	4
Asset Maintenance Sewage Treatment Plants	-	6	(6)	0	(9)
Bus Station	10	10	0	9	-
Car Parks	(1,411)	(1,275)	(136)	(1,880)	(251)
CCTV	253	195	58	418	99
Civil Protection	32	36	(4)	52	0
Car Parking - On Street	(365)	(327)	(38)	(352)	-
Refuse Collection	534	180	354	919	585
Trade Waste	84	(140)	223	113	266
Green Waste	(36)	(124)	88	121	164
Street Cleansing - Operational	(47)	10	(57)	2	(42)
Transport Workshop	52	42	10	89	12
Cesspool Emptying	1	(60)	61	15	90
Pest Control	(2)	(32)	30	4	49
Fly Tipping	(3)	(30)	27	(13)	32
Fleet	(135)	(99)	(36)	(17)	(32)
Depots	(6)	(47)	41	26	53
Emergency - Operational	(29)	(18)	(11)	(30)	(13)
Grounds Maintenance	(15)	(22)	7	1	28
Environmental Enforcement	1	4	(3)	3	(3)
EH Commercial	-	0	(0)	-	-
EH Animal Control	-	-	-	-	-

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
EH Environmental Protection	-	0	(0)	-	-
Environmental Health Services	525	531	(7)	806	4

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Emergency	48	55	(8)	71	(12)
Parking Enforcement - Tandridge DC	(24)	(2)	(22)	(8)	(8)
Estates Management - Buildings	47	19	28	46	49
Estates Management - Grounds	89	90	(1)	135	0
Housing Other Income	(40)	(9)	(30)	(41)	(27)
Housing Premises	(2)	3	(6)	13	(5)
Licensing Partnership Hub (Trading)	(22)	(1)	(22)	(0)	(0)
Licensing Partnership Members	-	-	-	-	-
Licensing Regime	40	60	(20)	61	(12)
Asset Maintenance Operatives	3	8	(6)	9	(3)
Markets	(255)	(303)	48	(330)	78
Decarbonisation Fund Net ZERO 2030	55	55	(0)	66	-
Off-Street Enforcement	8	40	(31)	20	(41)
Parks - Greensand Commons Project	26	-	26	-	-
Parks and Recreation Grounds	84	94	(11)	128	(15)
Parks - Rural	159	126	33	234	40
Public Transport Support	-	0	(0)	0	-
Refuse Collection	1,941	1,939	2	2,848	(10)
Administrative Expenses - Direct Services	1	-	1	-	-
Administrative Expenses - Property (Facilities Management)	0	-	0	-	-
Administrative Expenses - Health	5	2	3	6	3
Administrative Expenses - Licensing	1	3	(3)	4	-
Administrative Expenses - Property	2	(0)	2	-	-
Administrative Expenses - Transport	7	4	4	7	-
Street Cleansing	1,057	1,046	11	1,590	21
Support - Central Offices	454	477	(23)	596	(4)
Support - Central Offices - Facilities	131	159	(29)	243	(13)
Support - General Admin	0	1	(1)	0	(1)
Support - General Admin (Post/Scanning)	94	164	(70)	182	(58)

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Support - Health and Safety	-	5	(5)	5	-
Support - Direct Services	42	35	7	62	11
Taxis	(10)	(10)	0	25	(0)
Public Conveniences	24	26	(2)	34	(3)
Total Cleaner and Greener	3,559	3,230	329	6,798	1,028

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Housing and Health	£'000	£'000	£'000	£'000	£'000
Gypsy Sites	(1)	(4)	3	9	12
Community Health and Wellbeing	22	24	(2)	37	0
Homeless	438	455	(17)	677	(16)
Housing Register	80	85	(5)	129	2
Disabled Facilities Grant Administration	-	-	-	(55)	-
Housing	130	128	2	201	18
Accommodation Service	53	53	0	77	(2)
Homelessness Prevention	(0)	-	(0)	-	-
Housing Energy Retraining Options (HERO)	(10)	39	(49)	37	(24)
Homes for the Ukrainians	(569)	28	(597)	-	-
KCC- Household Support Fund	94	-	94	-	-
Private Sector Housing	102	141	(39)	160	(60)
Rough Sleepers Initiative 2022-25	(52)	29	(81)	-	-
Rough Sleepers Programme	(45)	-	(45)	-	-
Admin Expenses - People & Places Housing	4	3	1	2	-
One You - Your Home Project	(0)	-	(0)	-	-
One You - Kent Public Health	(36)	(10)	(25)	-	-
Housing and Health Project	-	16	(16)	-	-
Homelessness Funding	(284)	(285)	0	-	-
KCC Specialist Weight Management	0	-	0	-	-
Total Housing and Health	(73)	702	(774)	1,273	(68)
Improvement and Innovation	£'000	£'000	£'000	£'000	£'000
Action and Development	2	5	(3)	8	-
Asset Maintenance IT	144	187	(43)	280	-
Civic Expenses	17	18	(1)	18	-

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Consultation and Surveys	-	-	-	-	(4)
Corporate Management	652	681	(28)	1,143	(11)
Corporate - Other	-	75	(75)	86	(76)
Democratic Services	118	125	(7)	189	1
Economic Development	21	34	(13)	47	-
Swanley Meeting Point	85	40	45	120	60
Economic Development Property	345	423	(78)	395	(89)
UK Share Prosperity Fund	(150)	-	(150)	-	-
Elections	291	63	228	139	3
External Communications	157	153	4	238	5
Land Charges	(3)	(34)	31	(2)	45
Members	309	328	(18)	496	2
Performance Improvement	7	7	(0)	0	-
Register of Electors	147	151	(4)	265	44
Administrative Expenses - Legal and Democratic (Electoral)	0	-	0	-	-
Administrative Expenses - Corporate Services	13	11	3	14	-
Administrative Expenses - Legal and Democratic	37	59	(22)	51	(19)
Administrative Expenses - Transformation and Strategy	9	4	6	5	-
Administrative Expenses - Human Resources	3	2	1	3	-
Street Naming	(2)	(3)	1	(4)	-
Support - Contact Centre	490	529	(40)	733	(14)
Support - Customer Insights	161	166	(5)	252	3
Support - General Admin	12	16	(3)	236	(2)
Support - General Admin (Print Shop)	62	37	25	68	49
Support - IT	888	885	3	1,098	11
Support - Nursery	0	-	0	-	-
Support - Human Resources	380	399	(19)	504	(18)
Total Improvement and Innovation	4,196	4,358	(162)	6,382	(12)

Position as at the end of November 23	Y-T-D Actual £'000	Budget to Date £'000	Variance £'000	Annual Forecast (including Accruals) £'000	Forecast Annual Variance £'000
Total SDC	12,998	12,806	194	21,181	2,416

Appendix B : Salaries

Position as at the end of November 23	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast £'000	Annual Variance £'000	Annual Variance %
Development and Conservation					
Building Control	207	399	326	(73)	-18%
Planning Services	1,482	2,215	2,431	216	10%
	1,689	2,614	2,757	143	5%
Finance and Investments					
Chief Executive	146	226	234	8	4%
Finance	676	1,085	1,051	(34)	-3%
Revenues and Benefits	1,132	1,786	1,774	(12)	-1%
Strategic Property	438	689	677	(12)	-2%
	2,392	3,785	3,736	(50)	-1%
Cleaner and Greener					
Direct Services	3,056	4,872	4,910	38	1%
Property (Facilities Management)	164	287	261	(26)	-9%
Health	436	677	701	24	4%
Licensing	364	591	578	(14)	-2%
Property	151	225	239	14	6%
Transport	401	621	632	11	2%
	4,572	7,275	7,321	47	1%
Housing and Health					
Places Housing	488	907	798	(110)	-12%
	488	907	798	(110)	-12%
Improvement and Innovation					
Legal and Democratic (Electoral)	166	249	260	11	4%
Corporate Services	1,171	1,808	1,813	4	0%
Legal and Democratic	306	448	456	8	2%
Transformation and Strategy	425	701	677	(23)	-3%
Human Resources	311	477	486	9	2%
	2,378	3,683	3,692	9	0%
People and Places					
Places Communities	227	351	356	5	1%
	227	351	356	5	1%
Sub Total	11,746	18,616	18,659	44	0%
Council Wide - Vacant Posts	0	35	(41)	(76)	-215%
Staff Recruitment and Retention	0	74	74	0	0%
TOTAL SDC Funded Salary Costs	11,746	18,725	18,693	(32)	0%
Places Communities*	98	129	129	0	0%
Places Housing*	313	348	348	0	0%
Strategic Property*	104	229	229	0	0%
Externally Funded Total	515	706	706	0	0%
TOTAL Salary Costs	12,261	19,513	19,397	(32)	0%

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

Agenda Item 10

Appendix B : Staffing Stats - Position as at the end of November 2023	Budget FTE*	Staff FTE	Agency FTE	Casual FTE	November 2023 Total	October 2023 Total2
Development and Conservation						
Building Control	7.00	6.41			6.41	6.41
Planning Services	40.76	46.31			46.31	47.06
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	39.18		0.21	39.39	41.02
Strategic Property	10.00	9.81			9.81	9.95
Cleaner and Greener						
Direct Services	125.68	116.28	19.84	0.33	136.45	146.84
Health	11.99	11.58			11.58	12.58
Licensing	12.20	11.80			11.80	11.80
Property	5.00	4.81			4.81	4.81
Transport	16.62	14.97			14.97	13.38
Housing and Health						
Housing	18.31	15.93			15.93	15.34
Improvement and Innovation						
Corporate Services	50.61	39.99			39.99	39.99
Legal and Democratic	7.00	6.00	1.00		7.00	6.75
Transformation and Strategy	19.35	17.35			17.35	17.35
Human Resources	8.76	8.76			8.76	8.76
People and Places						
Communities & Business	4.50	4.00			4.00	4.00
Sub Total	399.08	371.18	20.84	0.54	392.56	404.04
Externally Funded						
People & Places	2.95	3.81			3.81	3.81
People & Places - Housing	8.00	11.81			11.81	11.81
Strategic Property (Ext)	4.95	4.55			4.55	4.55
Sub total	15.90	20.17	0.00	0.00	20.17	20.17
Total	414.98	391.35	20.84	0.54	412.73	418.15
Number of staff paid in November 23: 416 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	95,491	26,262	69,229	95,000
NOV	2,963	57,529	90,296	27,553	62,743	90,000
DEC	3,467	59,754		31,748		71,748
JAN	4,958	78,253		33,343		73,343
FEB	7,065	57,532		28,674		58,674
MAR	8,424	38,981		22,826		52,826
	40,428	518,346	596,646	288,002	425,235	852,891

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	506,350	143,858	362,492	506,300
NOV	16,514	283,826	596,646	171,411	425,235	596,300
DEC	19,981	343,580		203,159		668,048
JAN	24,939	421,833		236,502		741,391
FEB	32,004	479,365		265,176		800,065
MAR	40,428	518,346		288,002		852,891

Position as at the end of November 23	23/24 Opening Balance	Position as at the end of November 23	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)	(455)	(144)
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)	(194)	(160)
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)	(20,626)	(105)
Other Earmarked Reserves (balances <£100k)	(532)	(465)	67
Total Earmarked Reserves	(21,053)	(21,091)	(38)
General Fund	(1,800)	(1,800)	-
Total Reserves	(22,853)	(22,891)	(38)

Capital Monitoring Dashboard - November 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	21,814,485	298,000	328,919	328,919	30,919	0	0	0	22,143,404	(722,596)
White Oak Leisure centre - Orchards Academy	Capital Receipts	161,955	0	0	0	0	0	161,955	0	0	161,955	0
Burlington Mews	Capital Receipts	16,000		8,000	0	0	(8,000)	0	0	0	0	(16,000)
27-37 Swanley High street (meeting Point)	Capital Receipts & External funding	6,114,000	5,086,389	614,000	572,604	732,000	118,000	295,611	0	0	6,114,000	0
White Oak Residential	Capital Receipts	21,484,000	161,955	8,000,000	272,769	400,045	(7,599,955)	9,500,000	9,500,000	1,922,000	19,562,000	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 Dilligence costs	Mixed	1,600,000		1,450,000	18,432	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	10,351,405	915	2,500,000	202,891	2,500,000	0	2,000,000	409,000	5,441,490	10,351,405	0
Stangrove Estate	Mixed	4,313,000	130,282	1,948,000	1,123,041	2,500,000	552,000	56,000	0	1,626,718	4,313,000	0
Total for People & Places		110,382,360	28,303,834	30,460,000	2,582,945	8,035,254	(22,424,746)	23,892,566	11,919,000	37,493,109	91,613,513	(736,846)
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	540,409	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	1,154,841	2,632,000	0	1,710,000	1,710,000	1,128,000	3,966,000	0
Grand total		115,512,360	28,303,834	33,092,000	3,737,786	10,667,254	(22,424,746)	25,602,566	13,629,000	38,621,109	95,579,513	(736,846)

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

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

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	8,415		12,622	-		14,483		Advertising Sales
Register of Electors	3,233	71	-		-	-		3,892		Sale of registers
Support - General Admin (Print Shop)	86,378	42,807	124,684		187,026	(58,000)		122,079	H	Print fees and charges
	99,149	47,028	133,099	(33,949)	199,648	(58,000)	141,648	151,878		
Land Charges	74,250	58,289	113,310		169,965	(68,000)		112,767	H	Land Charges
Local Tax	190,770	201,391	327,305		490,957	12,092		278,598	H	Court Costs Recovered
Administrative Expenses - Human Resourc	432	1,103	2,611		3,916	-		1,590		CRB Checks
Street Naming	11,482	6,840	16,083		24,125	-		13,645		Street Naming Fees
Support - IT	-	-	-		29,134	-		34,202		
Support - Legal Function	3,600	9,112	1,667		2,500	-		14,089		S106 Legal Fees and other income
Support - Human Resources	922	4,950	627		941	-		7,696		Payroll Support contribution
	281,956	281,685	461,603	(179,647)	721,538	(55,908)	665,630	465,381		
Car Parks	2,056,867	1,139,520	1,923,575		2,803,521	256,605		2,827,522	H	Off Street Parking Income
CCTV	18,045	15,277	23,059		34,589	-		39,472		Recharge other authorities
Car Parking - On Street	700,950	363,267	647,773		971,659	179,000		966,923	H	On Street Parking Income
Refuse Collection	99,014	55,631	79,997		119,995	11,000		152,336	H	Bulky waste and other fee income
Trade Waste	352,445	213,240	492,685		739,027	(180,000)		529,887	H	Trade waste income
Green Waste	682,495	462,756	761,530		1,011,472	(70,000)		862,250	H	Garden waste subscriptions
Street Cleansing - Operational	39,792	16,495	73,855		120,743	(40,000)		64,902	H	Street cleaning charges
Transport Workshop	41,402	6,758	52,858		79,287	(15,000)		53,701	H	MOT and Taxi Tests
Cesspool Emptying	117,456	59,349	178,716		268,074	(90,000)		160,444	H	Cesspool charges
Pest Control	32,192	16,902	53,974		80,881	(48,000)		31,395		Pest control fee income
Fly Tipping	1,000	675	2,154		3,231	-		4,530		Fixed penalty notices
Depots	12,360	123	22,604		33,906	(21,509)		461		Rechargeable works
Markets	299,838	284,362	348,305		522,458	(78,000)		555,493	H	Rental income for market operation
Off-Street Enforcement	134,848	89,346	103,924		155,886	60,000		215,803	H	Car Park Penalty Charge Notices
Parks - Rural	4,273	13,619	2,241		3,361	6,230		23,396		Sale of Timber
Refuse Collection	200,483	64,976	186,167		341,321	8,732		339,827	H	Recycling Credits and Sack income
Street Cleansing	-	-	19,572		29,358	(29,358)		784		External income target
	4,868,578	2,887,191	4,975,700	(107,121)	7,338,830	(50,300)	7,288,530	7,123,500		
Gypsy Sites	10,964	7,810	2,242		3,363	-		17,962		Income from Traveller Site
Disabled Facilities Grant Administration	-	-	-		54,824	-		50,000	H	Admin grant funding from DFG
Leisure Contract	213,910	8,333	267,245		400,868	22,852		20,255		Leisure Provider Contract Income
Police & Crime Commissioners (PCCs)	16,740	18,000	-		-	-		1,260		PCC Funding Income
Private Sector Housing	14,635	12,803	7,601		9,094	-		26,588		Inspection and Licence income
	277,709	62,152	286,863	(9,154)	479,657	25,852	505,509	145,130		
Building Control Fee	349,739	235,144	355,664		533,496	(8,712)		539,894	H	Building control plan and inspection fees
Environmental Health Services	23,639	-	24,854		30,226	(4,626)		-		Income from Licensing Fees
Licensing Regime	75,397	84,459	74,827		130,065	(7,105)		116,037	H	SDC Licence Income
Planning Policy	120	-	3,333		5,000	(5,000)		40		
Planning - CIL Administration	48,836	-	55,000		110,000	(20,000)		89,397	H	CIL Administration Funding
Planning - Counter	550	-	-		6,000	(6,000)		-		
Planning - Development Management	791,669	473,375	685,177		1,027,766	70,625		1,210,246	H	Planning application fees

Taxis	97,829	72,639	111,124		166,686	(24,209)		135,041	H	Taxi licence fee income
	<u>1,906,677</u>	<u>1,207,587</u>	<u>1,309,975</u>	<u>596,701</u>	<u>2,009,239</u>	<u>(4,930)</u>	<u>2,004,309</u>	<u>2,830,696</u>		
Bus Station	5,032	3,100	6,433		11,200	-		6,200		Advertising Sales
Swanley Meeting Point	8,072	-	-		-	14,000		-		
Economic Development Property	20,264	5,095	29,945		47,504	-		27,827		Miscellaneous Income and recharges of time
Estates Management - Buildings	87,465	54,703	83,972		124,808	2,700		154,658	H	Rental income for miscellaneous properties
Housing Other Income	39,548	6,308	9,400		14,122	26,600		16,029		Rental income for housing premises
Housing Premises	18,217	20,440	-		-	18,217		20,440		Sewage Treatment Income
Property Investment Strategy	1,330,931	652,261	1,218,333		1,620,410	41,360		1,646,401	H	Rental Income from Investment Properties
Support - Central Offices	15,647	9,850	28,329		37,772	(15,000)		19,862		Argyle Road Rental Income and Electric Vehicle charging income
West Kent Partnership	23,000	20,000	31,862		59,398	-		20,000		West Kent Partner Contributions
	<u>1,548,176</u>	<u>826,811</u>	<u>1,408,274</u>	<u>139,902</u>	<u>1,915,214</u>	<u>87,877</u>	<u>2,003,091</u>	<u>1,943,356</u>		

FINANCIAL PERFORMANCE INDICATORS 2023/24 – TO THE END OF OCTOBER 2023

Finance & Investment Advisory Committee – 11 January 2024

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.

Agenda Item 11

Introduction and Background

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

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues.

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 – October 2023

Background Papers

None

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

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

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2023/24	Year to Date Target 2023/24	Year to Date Status	Commentary																																								
LPI_AUL01	Sevenoaks: Audit actions fully implemented within agreed timescales	100%	80%		<table border="1"> <caption>Performance Chart Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr><td>April 2022</td><td>30</td></tr> <tr><td>May 2022</td><td>50</td></tr> <tr><td>June 2022</td><td>35</td></tr> <tr><td>July 2022</td><td>65</td></tr> <tr><td>August 2022</td><td>50</td></tr> <tr><td>September 2022</td><td>20</td></tr> <tr><td>October 2022</td><td>60</td></tr> <tr><td>November 2022</td><td>75</td></tr> <tr><td>December 2022</td><td>100</td></tr> <tr><td>January 2023</td><td>70</td></tr> <tr><td>February 2023</td><td>70</td></tr> <tr><td>March 2023</td><td>70</td></tr> <tr><td>April 2023</td><td>90</td></tr> <tr><td>May 2023</td><td>0</td></tr> <tr><td>June 2023</td><td>0</td></tr> <tr><td>July 2023</td><td>0</td></tr> <tr><td>August 2023</td><td>0</td></tr> <tr><td>September 2023</td><td>100</td></tr> <tr><td>October 2023</td><td>0</td></tr> </tbody> </table>	Month	Performance (%)	April 2022	30	May 2022	50	June 2022	35	July 2022	65	August 2022	50	September 2022	20	October 2022	60	November 2022	75	December 2022	100	January 2023	70	February 2023	70	March 2023	70	April 2023	90	May 2023	0	June 2023	0	July 2023	0	August 2023	0	September 2023	100	October 2023	0	83.3%	80%		Commentary is only provided for 'red' indicators
Month	Performance (%)																																																
April 2022	30																																																
May 2022	50																																																
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Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2023/24	Year to Date Target 2023/24	Year to Date Status	Commentary
LPI_BR_04	The percentage of business rates collected in-year (Cumulative)	74.5%	74%	✔		74.5%	74%	✔	Commentary is only provided for 'red' indicators
LPI_CT_06	The percentage of council tax collected in-year (cumulative)	67.2%	66%	✔		67.2%	66%	✔	Commentary is only provided for 'red' indicators
LPI_FS_01	The percentage of undisputed invoices paid within 30 days or agreed terms	99.7%	99%	✔		99.4%	99%	✔	Commentary is only provided for 'red' indicators

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2023/24	Year to Date Target 2023/24	Year to Date Status	Commentary
LPI_FS03	Sundry debts outstanding more than 60 days	£27,248	£40,000			£27,248	£40,000		Commentary is only provided for 'red' indicators
LPI_HB02	Average number of calendar days to process a new claim for Housing Benefit (Monthly)	22	22			23	22		Commentary is only provided for 'red' indicators
LPI_HB04	Average number of calendar days to process a change in circumstances for Housing Benefit (monthly)	10	8			13	8		The Team has experienced a number of absences related to ill-health. Work is prioritised to ensure new claims are assessed to target time. High workloads, coupled with insufficient resource has meant that not all changes

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2023/24	Year to Date Target 2023/24	Year to Date Status	Commentary
									to circumstances are assessed within the 8 day target.
TM FS 01	Treasury Management - Actual vs Budget + Forecast	£506,350	£143,858	✔		£506,350	£143,858	✔	Commentary is only provided for 'red' indicators
TM FS 02	Treasury Management - Investment returns vs RPI vs CPI	5.5%	4.6%	✔		5.5%	4.6%	✔	Commentary is only provided for 'red' indicators

TREASURY MANAGEMENT STRATEGY 2024/25

Finance and Investment Advisory Committee – 11 January 2024

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

Status: For Decision

Also considered by:

- Cabinet – 8 February 2024
- Council – 20 February 2024

Key Decision: No

Executive Summary:

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

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

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

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

Portfolio Holder: Cllr. Kevin Maskell

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

Recommendation to Finance and Investment Advisory Committee:

That the report be noted and comments forwarded to Cabinet.

Recommendation to Cabinet:

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

Recommendation to Council:

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

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

Introduction and Background

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

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

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

Reporting requirements – Capital Strategy

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

Reporting Requirements – Treasury Management

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

Agenda Item 12

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

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

Treasury Management Strategy for 2024/25

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

Capital Issues

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

Treasury Management Issues

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

Training

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

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

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

Treasury Management Consultants

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

The Capital Prudential Indicators 2024/25 – 2026/27

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

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Capital Expenditure and Financing

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

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

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

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

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

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

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

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

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

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

Liability Benchmark

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

Core Funds

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

Minimum Revenue Provision (MRP) Policy Statement

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

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The Borrowing Strategy

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

Current Portfolio Position

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

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

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

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

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

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

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary

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

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

The Authorised Limit for external debt

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

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

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

Prospects for Interest Rates

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

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

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

Borrowing Strategy

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

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

Policy on Borrowing in Advance of Need

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

Rescheduling

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

New Financial Institutions as a Source of Borrowing

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

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

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

Annual Investment Strategy

Investment Policy – Management of Risk

67 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

68 The Council’s investment policy has regard to the following: -

- a. DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- b. CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- c. CIPFA Treasury Management Guidance Notes 2021

69 The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to its risk appetite.

70 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

71 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- a. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

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

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

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

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

Changes in risk management policy from last year

73 The above criteria are unchanged from last year.

Creditworthiness Policy

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

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

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

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

- Local authorities, housing associations, parish councils etc.

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

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

	Fitch Long Term Rating (or equivalent)	Money and/or % Limit £000	Time Limit
Banks 1	A-	7,000	2 years
Banks 2	A-	5,000	2 years
Banks 3	N/A	7,000	2 years
Banks 4	N/A	7,000	1 day
Bank subsidiaries	A-	7,000	2 years
Rated building societies (assets over £3bn)	N/A	5,000	2 years
Unrated building societies (assets over £3bn)	N/A	3,000	1 year
Money Market Funds (CNAV)	AAA	5,000 (per Fund)	Liquid
Money Market Funds (LVNAV)	AAA	5,000 (per Fund)	Liquid
Bond, Property, Equity & Multi-Asset Funds	N/A	5,000 (per Fund)	Liquid
UK Government DMADF	UK sovereign rating	5,000	6 months
Local authorities, housing associations etc	N/A	5,000 (each)	2 years

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

Creditworthiness Issues

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

Limits

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

Investment Strategy

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

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

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

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

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

Average earnings in each year

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

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

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

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

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

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

Investment Performance/Risk Benchmarking

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

End of Year Investment Report.

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

Scheme of Delegation

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

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

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

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Key Implications

Financial

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

Legal Implications and Risk Assessment Statement.

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

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

Treasury management has two main risks :

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

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

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

Equality Assessment

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

Net Zero Implications

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

Conclusions

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

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

Appendices

Appendix A – Prospects for Interest Rates

Appendix B – Economic background and interest rate risks

Appendix C – Investment and Loan portfolio at 30 November 2023

Appendix D – Specified and non-specified investments

Appendix E – Approved countries for investments

Appendix F – Treasury management scheme of delegation

Appendix G – The treasury management role of the S151 officer

Appendix H – The Liability Benchmark

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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Prospects for Interest Rates

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

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

Additional notes by Link on this forecast table: -

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

PWLB RATES

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

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The balance of risks to the UK economy: -

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

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

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

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

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

LINK GROUP FORECASTS

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

Gilt yields and PWLB rates

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

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

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

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

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

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

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

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

ECONOMIC BACKGROUND

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

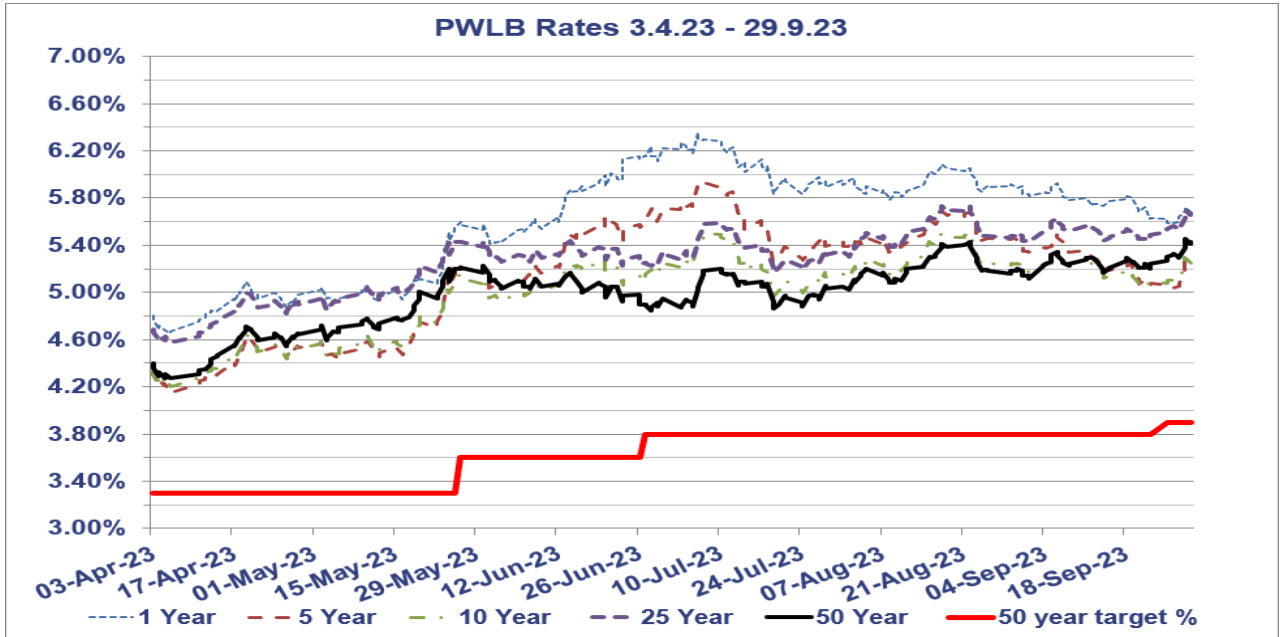
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has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower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

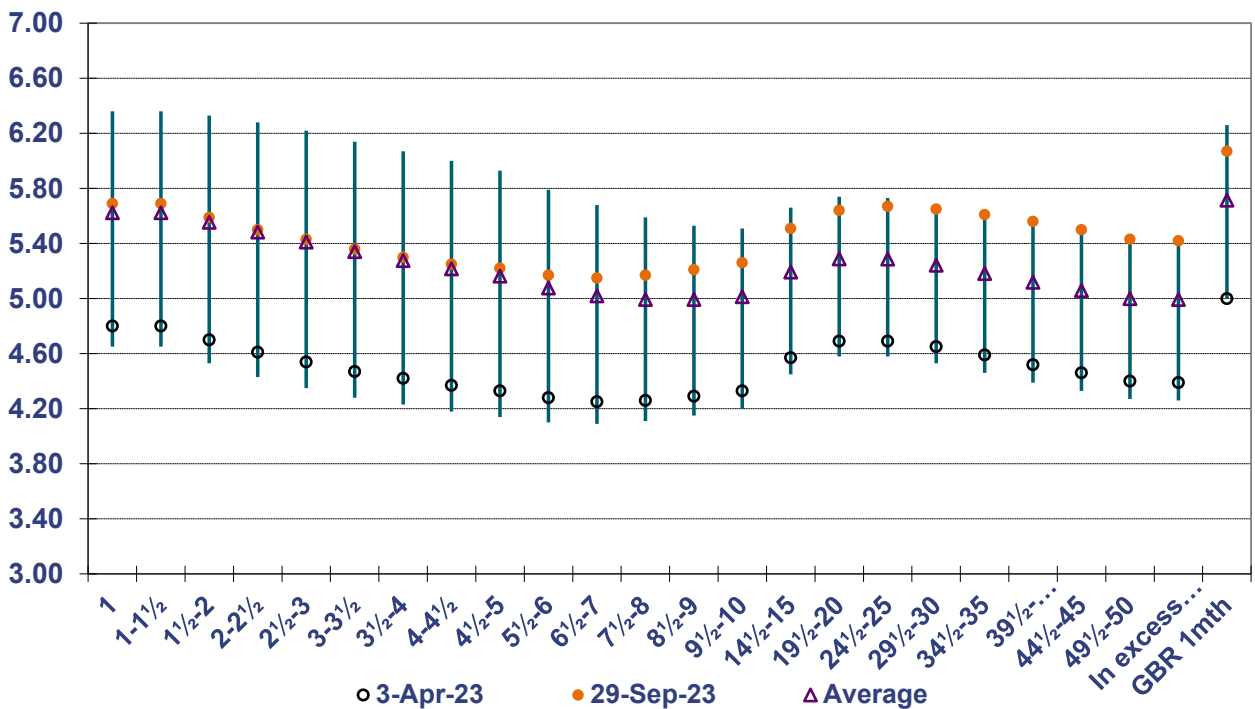
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Eurozone. Moreover, while the Bank of England's closely watched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

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

PWLB RATES 01.04.23 - 29.09.23



PWLB Certainty Rate Variations 3.4.23 to 29.9.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 - 29.09.23

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

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

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

CENTRAL BANK CONCERNS

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

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

APPENDIX C: CURRENT PORTFOLIO POSITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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APPENDIX E - Approved countries for investments

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

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K.

APPENDIX F - Treasury management scheme of delegation

Full Council

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

Cabinet

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

Finance & Investment Advisory Committee

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

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

The S151 (responsible) officer

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

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

Examples are as follows:-

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

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

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APPENDIX H - Liability Benchmark

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

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CAPITAL PROGRAMME & ASSET MAINTENANCE 2024/27

Finance and Investment Advisory Committee – 11 January 2024

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

Status: For Decision

Key Decision: no

Executive Summary: This report sets out the proposed Capital and Asset maintenance programmes for 2024/27 together with proposed funding.

This report supports 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 Advisory Committee:

That the report be noted, and comments forwarded to Cabinet on:

- a) The Capital Programme 2024/27 and funding set out in Appendix B.
- b) The proposed Asset Maintenance budget of £662,000 for 2024/25.
- c) The Capital Strategy for 2024/25, Appendix C of this report.

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Introduction and Background

- 1 The Capital Programme is put together following the Council's financial and corporate policies to ensure that the proposed programme satisfies one or more of the Council's corporate plan priorities:
 - improve efficiency and cost effectiveness of the services we provide;
 - buy and build new assets that help improve the way we provide services and at the same time generating return on our investments;
 - providing better customer service;
 - invest in attracting, generating and supporting business.

Capital Bids

- 2 The new scheme bids are attached at Appendix A.
- 3 Each scheme bid document details the proposed programme and its purpose as well as the capital costs for the next 3 years. In addition, details of how the programme is to be funded, justification for the bid and any other resource implications are included in each bid document.
- 4 Appendix B summarises the overall capital programme position of existing and proposed schemes and indicates the funding sources proposed.
- 5 Schemes that have not spent in line with previously reported schedules for 2023/24 may be carried forward to 2024/25.
- 6 Schemes that are of significant size or importance will be presented as separate reports throughout the year as appropriate and the Capital Programme, Appendix B, will be updated to reflect subsequent approved amendments.
- 7 The Property Investment Strategy was removed from the Capital Programme in November 2021 so that PWLB borrowing could be accessed to fund future capital schemes as required.
- 8 A separate report on the Property Investment Strategy will be presented.

Capital Receipts

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

Table 1: Capital Receipts estimates

Disposal Programme	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Capital Receipt b/fwd	1,638	60	0	0
Total Capital receipts	5,570	1,120	31,853	0
Already allocated	(7,148)	(1,180)	(31,853)	0
Available Capital Receipts	60	0	0	0

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

Asset Maintenance

- 12 The asset maintenance programme seeks to allocate budgets to individual areas and schemes in accordance with the asset management plan and service requirement, reflecting backlog maintenance, health & safety and income generation as priorities.
- 13 The Council has an ageing asset portfolio, which means the buildings are costly to run and maintain and as such the maintenance of assets are a significant budget pressure which cannot be addressed entirely through the revenue budget and therefore the Council will need to find creative solutions or ensure development schemes are self-financing.
- 14 The table below sets out the asset maintenance programme for the next 3 years and the percentage of the maintenance programme funded.
- 15 Table 2: Total asset maintenance programme

	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Budget	631	642	651	662
% of programme funded	64%	64%	64%	64%

Capital Strategy

- 16 The revised CIPFA Code requires, for 2019/20 onwards, all local authorities to prepare a Capital Strategy report, which will provide the following:
 - A high level, long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - An overview of how the associated risk is managed; and
 - The implications for future financial sustainability.
- 17 This Council's Capital Strategy for 2024/25 is presented in Appendix C.
- 18 The aim of this Capital Strategy is to ensure that all Members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance and risk appetite.
- 19 The Capital Strategy has direct links to other key strategic and policy documents, such as:
 - The Council Plan;
 - The Ten Year Budget and Financial Strategy;
 - The Local Plan;
 - Asset Management Plan;
 - Treasury Management Policy And Strategy;
 - Property Investment Strategy; and
 - Capital Programme
- 20 These key strategic and policy documents are reported separately to Members and are not reproduced within the Capital Strategy.
- 21 The Capital Strategy complements the above documents by defining the approach, structure and governance for the effective financing and Management of the Council's capital investment needs and ambitions. It outlines how the Council's existing capital resources will be effectively managed to meet the planned needs and opportunities and for meeting the ambitions for future longer term capital investments.
- 22 It is intended that the Capital Strategy will be reviewed annually to reflect changes in circumstances.

Key Implications

Financial

All financial implications are covered within this report.

Legal Implications and Risk Assessment Statement.

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

Equality Assessment

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

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.

The Net Zero impact has been considered for each capital bid and the impact is shown as appropriate.

Appendices

Appendix A - Scheme Bid Documents

Appendix B - Proposed 2024/27 capital programme

Appendix C - Capital Strategy 2024/25

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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Capital Programme 2024/27

Scheme Bid Document - Scheme Name: Combined Feasibility Pot

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

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

Portfolio / Chief Officer : Detlev Munster

Service: Property and Commercial

Financials :

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

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

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

Funding Source : From future capital receipts.

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

Justification: Statutory Duty

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

Net Zero Implications

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

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

Capital Programme 2024/27

Scheme Bid Document - Scheme Name: Vehicle Replacement Programme

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

Portfolio / Chief Officer: Adrian Rowbotham

Service: Direct Service

Financials:

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

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

Funding Source: Funding is via the vehicle replacement fund, which is financed by fixed transport charges, the sale of old vehicles and by an annual revenue contribution. Fixed transport charges include an annual replacement fund contribution as well as individual depreciation charges levied on each fleet purchase over predetermined periods. The Budget has been increased by the budget assumption of 2.5%.

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

Justification: Statutory Duty

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

Key Implications

Financial

All options that contain financial implications detailed within this report.

Legal Implications and Risk Assessment Statement.

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

Equality Assessment

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

Net Zero Implications

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

Capital Programme 2024/27

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

Box 1 Description: Money provided by the Better Care Fund for the provision of both mandatory and discretionary activities to ensure those eligible for assistance remain residing in their own home along with the new requirement to fund initiatives to better integrate housing with social care and Health Services, through preventive and responsive services.

Portfolio / Chief Officer : People and Places/Sarah Robson

Service: Housing

Financials :

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

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

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

Other Resource Implications :	
Staffing	Managed with existing staffing establishment

Asset Values	Assets not in Council ownership
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Justification: Statutory Duty

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

Net Zero Implications

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

Capital Programme 2024-27

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

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

Funding Sources

				2023/24	2024/25	2025/26	2026/27		
				Previous years spend	Forecast	Budget	Budget	Budget	Total
				£000	£000	£000	£000	£000	£000
Capital Receipts				-2,846	-7,148	-1,180	-31,853	0	-43,027
Vehicle Renewal Reserve						-597	-612	-627	-1,836
Better Care Fund (KCC)						-1,128	-1,128	-1,128	-3,384
Internal Borrowing	Used			-20,377	-4,960	-162	0	0	-25,499
	Repaid			2,846	7,148	1,120	31,853	0	42,967
** Mixed funding depending on scheme						-500	-500	-500	-1,500
External Borrowing	-Long term			-8,000	0	-15,522	-11,729	-13,945	-49,196
	-Short term			0	0	-15,396	-13,645	-1,922	-30,963
	- Short term repaid								
Grant Funding				-840	-375				-1,215
Total Funding				-29,217	-5,335	-33,365	-27,614	-18,122	-113,653

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

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The Capital Strategy 2024/25

Purpose of the Capital Strategy

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

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

Project Initiation

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

Prioritisation of capital projects

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

Monitoring and evaluating schemes

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

Revenue implications

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

Savings, including benefits, to identify include:

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

Funding the Capital Strategy

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

Borrowing

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

Commercial activities and investment property

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

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

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

Consideration of risk

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

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

Knowledge and skills

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

FEES AND CHARGES REVIEW 2024/25

Finance and Investment Advisory Committee – 11 January 2024

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

Status: For Decision

Key Decision: No

Executive Summary:

In order to help the Council achieve the aim to deliver a balanced budget position over the next 10-year period a review of all Fees and Charges has been undertaken.

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

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Alan Mitchell, Ext. 7483

Recommendation to Finance and Investment Advisory Committee:

Members views are requested on the fees and charges included in the report.

Introduction

- 1 The Council is required to deliver a balanced budget which is made up of income & expenditure.
- 2 Sevenoaks District Council hasn't previously conducted an annual review of fees & charges but rather an ad hoc process where individual services review their fees and charges periodically dependant on the service needs or changes in legislation.
- 3 At the start of the budget process and as reported in the 'Budget 2024/25: 'Review of Service Dashboards and Service Change Impact Assessments (SCIA's)' report, the 2024/25 budget gap was £1.368m. Part of the proposed solution is additional income from fees and charges.

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Fees & Charges Review

- 4 With significant budget pressures expected as part of the 2024/25 budget process an extensive review all fees and charges was started in September.
- 5 As part of that review both statutory and non statutory fees and charges have been reviewed to ensure we are charging the appropriate fees.
- 6 As part of the review other authorities were used as a comparison to ensure we remained competitive and in line with the market.
- 7 This review forms part of our Financial Strategy and will be conducted on an annual basis going forward.

2024/25 Budget

- 8 Within the budget assumptions income is set to increase by 2.5% in all years.
- 9 It is anticipated that the fees and charges listed in Appendix A will deliver a further £300,000 in addition to the 2.5% assumption. Should the fees and charges listed in Appendix A not be approved then alternative budget solutions will be required.

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.

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

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 - 2024-25 Fees and Charges Price list

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Direct Services	Sandbags each	OS	£ 2.65	£ 3.00
Direct Services	Gate Fee for Access - Disposal for Liquid Waste per visit	OS	£ 6.00	£ 6.00
Direct Services	Collection of Dead Animals on Private Land per animal	OS	£ 35.00	£ 40.00
Parking		Within a car park subject to VAT	£ 10.00	£ 15.00
	Bay Suspensions - Per bay			
Parking	Bay Suspensions Admin Fee	ST	£ 30.00	£ 30.00
Parking	Parking Wavers (on street) - Per vehicle, per day	OS	£ 6.00	£ 10.00
Parking	Parking Wavers (off-street) - Per vehicle, per day	ST	£ 10.00	£ 10.00
Parking	Driveway Access Protection Lines Remarking	ST	£ 60.00	£ 90.00
Parking	Driveway Access Protection Lines	ST	£ 90.00	£ 180.00
Parking	Cones - Out of Hours Use/Less than 7 days notice/Lost Cones	ST	£ -	£ 36.00
Parking	Abandoned Vehicles		£ -	£ 200.00
Commercial Waste	240 LITRE BIN - General Waste	OS	£ 11.60	£ 11.60
Commercial Waste	240 LITRE BIN - Recycling	OS	£ 7.00	£ 7.00
Commercial Waste	360 LITRE BIN - General Waste	OS	£ 14.25	£ 14.25
Commercial Waste	360 LITRE BIN - Recycling	OS	£ 9.00	£ 9.00
Commercial Waste	660 LITRE BIN - General Waste	OS	£ 16.40	£ 16.40
Commercial Waste	660 LITRE BIN - Recycling	OS	£ 10.50	£ 10.50
Commercial Waste	1100 LITRE BIN - General Waste	OS	£ 20.15	£ 20.15
Commercial Waste	1100 LITRE BIN - Recycling	OS	£ 14.25	£ 14.25
Commercial Waste	Duty of Care Admin Charge	ST	£ 152.00	£ 152.00
Commercial Waste	Roll of blue commercial sacks	ST	£ 80.35	£ 80.35
Commercial Waste	Pack of 25 commercial paper sacks	ST	£ 38.00	£ 38.00
Commercial Waste	1100 LITRE - General Waste	OS	£ 50.00	£ 60.00
Commercial Waste	1100 LITRE - Recycling	OS	£ 40.00	£ 50.00
Commercial Waste	Delivery and collection charge	OS	£ 50.00	£ 60.00
Commercial Waste	Waste Transfer Note	ST	£ -	£ 30.00
Commercial Waste	Out of hours fee	OS	£ 100.00	£ 110.00
Garden Waste	240 LITRE - Annual Permit	OS	£ 50.00	£ 55.00
Garden Waste	140 LITRE - Annual Permit	OS	£ 35.00	£ 40.00
Garden Waste	240 LITRE - 6 months only	OS	£ -	£ 30.00
Garden Waste	140 LITRE - 6 months only	OS	£ -	£ 25.00
Garden Waste	Sack per pack	ST	£ 20.00	£ 25.00
Garden Waste	240 LITRE - Additional Bin Charge	ST	£ 32.00	£ 35.00
Bulky Waste	1 item	OS	£ 18.00	£ 25.00
Bulky Waste	2 items	OS	£ 30.00	£ 30.00
Bulky Waste	3 to 4 Items	OS	£ 40.00	£ 40.00
Bulky Waste	5 to 10 Items	OS	£ 52.00	£ 55.00
Bulky Waste	White goods	OS	£ 18.00	£ 25.00
Bulky Waste	Large freezer	OS	£ 42.00	£ 45.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Under 24 sq.m. Sole use outside of opening times.	E	£ -	£ 21.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - 24 to 70 sq.m. Sole use outside of opening times.	E	£ -	£ 32.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Over 70 sq.m. Sole use outside of opening times.	E	£ -	£ 48.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m. Sole use outside opening times.	E	£ -	£ 16.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - 24 to 70 sq.m. Sole use outside opening times.	E	£ -	£ 27.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - Over 70 sq.m. Sole use outside opening times.	E	£ -	£ 43.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - 24 to 70 sq.m. Sole use during opening times.	E	£ -	£ 32.00
Premises Hire	Premises Hire - Commercial organisations and public meetings held by political parties - Per hour - Under 24 sq.m. Sole use during opening times.	E	£ -	£ 48.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - 24 to 70 sq.m. Sole use during opening times.	E	£ -	£ 21.00
Premises Hire	Premises Hire - Other organisations and non public meetings of political parties - Per hour - Under 24 sq.m. Sole use during opening times.	E	£ -	£ 27.00
Premises Hire	Premises Hire - Other Organisations and community groups - part use e.g. hire of table space during opening times	E	£ -	£ 21.00
Premises Hire	Premises Hire - Community Groups - meeting room during opening times	E	£ -	£ 21.00
Premises Hire	Premises Hire- Exhibitions - Exhibition Space - Exhibition of works or crafts by individual artists and craftsmen	E	£ -	£ 21.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Insurance Policy	ST	£ -	£ 58.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Landlord's Offer Notice - Full	ST	£ -	£ 45.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Landlord's Offer Notice - Part	ST	£ -	£ 18.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Copy of Service Charge Certificate	ST	£ -	£ 38.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Document retrieval	ST	£ -	£ 12.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Fee for Application to buy garage	ST	£ -	£ 97.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Lease prints	OS	£ -	£ 72.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Leasehold Enquiries - Maintenance and rent details, insurance etc.	OS	£ -	£ 165.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Letter of Postponement concerning authorized words on properties with statutory discount charge	OS	£ -	£ 71.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Ownership Changes Leaseholds Houses and Flats	OS	£ -	£ 48.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Photocopying A3	ST	£ -	£ 2.00

Agenda Item 14

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Photocopying A4	ST	£ -	£ 1.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Post and Packing	E	£ -	£ 3.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Stat charge discharge - discount 3 year period	OS	£ -	£ 73.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Transfer of Equity approval and seal	OS	£ -	£ 75.00
Legal (Property Related) plus survey fees on POA basis	Properties constructed under Housing Acts Sales - Transfer prints	OS	£ -	£ 46.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Authorised Guarantee Agreement	OS	£ -	£ 511.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Lease Assignment	E	£ -	£ 690.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Lease Grant (Complex)	E	£ -	£1,276 upwards (no maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Lease Grant (Simple)	E	£ -	£ 787.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License (Simple)	E	£ -	£ 207.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License to Assign	E	£ -	£ 585.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License to Assign Plus Authorised Guarantee Agreement	E	£ -	£ 797.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial License to Assign Plus Deed of Variation of Lease	E	£ -	£904 - £1,329
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Commercial Deed of Variation of (Shop) Lease	E	£ -	£691 - £1,010
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Copy of Lease	ST	£ -	£ 115.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Deed of Covenants	E	£ -	£ 480.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Landlord Licence	OS	£ -	£ 583.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 278 (Complex)	OS	£ -	£2,658 upwards (No set maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Deed of Variation (re. S106 or complex commercial leases or agreements)	OS	£ -	£1,063 upwards (No set maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Easements	OS	£ -	£ 1,063.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Rent Reviews	OS	£ -	£234 - £372
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 106 (complex financial obligations or in-kind works)	OS	£ -	£2,658 upwards (No set limit)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 106 (complex with Affordable Housing obligations)	OS	£ -	£3,721 upwards (No set limit)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 38 (Complex)	OS	£ -	£2,658 upwards (No set maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Surrenders	OS	£ -	£ 638.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Transfer of Open Space	OS	£ -	£ 850.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Verification of Proof of Life	OS	£ -	£ 53.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Waive Agreement	OS	£ -	£ 532.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Licence of Alteration	OS	£ -	£ 747.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Licences to assign Leasehold Premises	OS	£ -	£ 747.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Notice of Assignment	OS	£ -	£ 87.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Notice of Charge	OS	£ -	£ 87.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Retrospective Consent	OS	£ -	£ 128.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Right to Buy Engragment	OS	£ -	£ 80.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Sale of Garden Land/ Additional Land	E	£ -	£ 747.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Sale of Land	E	£ -	If under £1,000 min charge £703 then incremental depending on value & complexity (no maximum)
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Shop Leases	OS	£ -	£ 765.00
Legal (Property Related) plus survey fees on POA basis	Register of Elections - Certificate of Residency, per elector, per year	E	£ -	£ 15.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £750,000 to £1,500,000	E	£ -	£ 372.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £1,500,000 to £2,500,000	E	£ -	£ 585.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £100,000 to £250,000	E	£ -	£ 159.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £2,500,000 to £5,000,000	E	£ -	£ 691.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value £250,000 to £750,000	E	£ -	£ 266.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Contract Value exceeding £5,000,000	E	£ -	£ 904.00
Legal (Property Related) plus survey fees on POA basis	Contract & Procurement - Engrossment/ Sealing of Contract Fees - Discretionary/ No VAT - Variations/ Novations (where original contract value exceeds £250,000)	E	£ -	£ 159.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 106 (Standard)	OS	£ -	£ 1,860.00
Legal (Property Related) plus survey fees on POA basis	Miscellaneous - Legal Charge re. drafting of document for:- Section 38 (Standard)	OS	£ -	£ 2,658.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Footpath/ Bridleway Creation or Diversion Agreement	OS	£ -	£ 1,595.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Grazing Licence	OS	£ -	£ 469.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Reg of Assign	OS	£ -	£ 32.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 111 Agreement (in addition to S106 fee)	OS	£ -	£ 532.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 142 Licence	OS	£ -	£ 266.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 278 (Standard)	OS	£ -	£ 2,658.00

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Section 50 Agreement	OS	£ -	£ 691.00
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Stopping up/ Orders etc under Highways Act	OS	£ -	Estimate in circumstances of the case
Legal (Property Related) plus survey fees on POA basis	Legal charge re drafting of document for:- Street License	OS	£ -	£ 330.00
Film Office	Non-refundable application fee (to scout & Admin)	ST	£ -	£ 128.00
Film Office	Location Fee full day (small crew - 1- 5 people)	ST	£ -	£532 - £744
Film Office	Location Fee half day (small crew - 1- 5 people)	ST	£ -	£ 446.00
Film Office	Location Fee per hour (small crew - 1- 5 people)	ST	£ -	£ 159.00
Film Office	Location Fee full day (medium crew - 6-15 people)	ST	£ -	£850 - £1,063
Film Office	Location Fee half day (medium crew - 6-15 people)	ST	£ -	£ 574.00
Film Office	Location Fee per hour (medium crew - 6-15 people)	ST	£ -	£ 191.00
Film Office	Location Fee full day (large crew - 16-50 people)	ST	£ -	£1,100 - £2,000
Film Office	Location Fee half day (large crew - 16-50 people)	ST	£ -	£ 957.00
Film Office	Location Fee per hour (large crew - 16-50 people)	ST	£ -	£ 255.00
Film Office	Location Fee full day (very large crew - 50+ people)	ST	£ -	POA
Film Office	Location Fee half day (very large crew - 50+ people)	ST	£ -	POA
Film Office	Location Fee per hour (very large crew - 50+ people)	ST	£ -	POA
Film Office	Supplementary charges: Traffic Management	ST	£ -	POA
Film Office	Supplementary charges: Parking	ST	£ -	POA
Film Office	Supplementary charges: Temporary structures	ST	£ -	POA
Film Office	Fee for Street Filming - one off (students or individuals taking stills/filming for personal use)	ST	£ -	£ 32.00
Film Office	Fee for Street Filming - one off (small crew - 1 - 5 people)	ST	£ -	£ 64.00
Film Office	Fee for Street Filming - one off medium crew - 6 - 15 people)	ST	£ -	£ 159.00
Film Office	Fee for Street Filming - one off large crew - 16 - 50 people)	ST	£ -	£ 223.00
Film Office	Fee for Street Filming - one off (very large crew 50+ people)	ST	£ -	POA
Film Office	Fee for Filming on Highways	ST	£ -	POA
Property	Commercial Matters - Administration fee for processing Commercial & Other Applications	ST	£ -	£ 96.00
Property	Commercial Matters - Assignment of Leases /underlettings(Council owned premises). Minimum fee of £500 plus VAT and hourly rate charge	ST	£ -	£ 638.00
Property	Commercial Matters - Dilapidation Surveys and Schedules of Repair/Condition (Council Owned Premises). Minimum fee £385 plus VAT and hourly rate charge in preparing survey and supervising works	ST	£ -	POA
Property	Commercial Matters - Licence to undertake alterations/building works. Minimum fee £500 plus VAT and hourly rate charge.	ST	£ -	POA
Property	Commercial Matters - Licence to vary lease terms (Council owned premises). Minimum fee £375 plus VAT and hourly rate charge.	ST	£ -	POA
Property	Commercial Matters - New Letting - Non Standard Commercial Shop Lease. Minimum fee £640 plus VAT and hourly rate charge.	ST	£ -	POA
Property	Commercial Matters - New Letting - Standard Commercial Shop Lease. Minimum fee £385 plus VAT and hourly rate charge.	ST	£ -	POA
Property	Commercial Matters - Consent for release of covenants (plus compensation calculation)	ST	£ -	£ 638.00
Property	Commercial Matters - Letters of consent	ST	£ -	£ 319.00
Property	Commercial Matters - Other Processes and Consents	ST	£ -	£ 491.00
Property	Non Commercial Matters - Area up to 25 Sqm - Land offering development potential either as a separate plot or if combined with other land	ST	£ -	Negotiable
Property	Non Commercial Matters - Area up to 25 Sqm - Sale of land at the end of the rear garden retained by the Council from a Right to Buy sale or amenity land adjoining a property sold under a Right to Buy	ST	£ -	Negotiable
Property	Non Commercial Matters - Other Processes and Consents	ST	£ -	£ 491.00
Property	Non Commercial Matters - Request for an easement/wayleave over Council Land Applicant would also need to pay for additional cost of works (e.g. drop kerb and crossover) and any additional legal costs affecting the title to the property.	ST	£ -	£ 638.00
Advertising	Full page	ST	£ 1,440.00	£ 1,560.00
Advertising	Half page	ST	£ 696.00	£ 834.00
Advertising	Quarter page	ST	£ 390.00	£ 474.00
Printing	A3 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.10 - £0.54	£0.10 - £0.54
Printing	A3 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.12 - £0.56	£0.12 - £0.56
Printing	A3 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.13 - £0.57	£0.13 - £0.57
Printing	A3 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.14 - £0.58	£0.14 - £0.58
Printing	A4 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.05 - £0.27	£0.05 - £0.27
Printing	A4 Colour Paper -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.06 - £0.28	£0.06 - £0.28
Printing	A4 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.07 - £0.29	£0.07 - £0.29
Printing	A4 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.07 - £0.29	£0.07 - £0.29
Printing	A4 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.08 - £0.30	£0.08 - £0.30
Printing	A4 NCR -Dependant single sided or double sided	Dependant on type of print	£0.11 - £0.13	£0.11 - £0.13
Printing	A5 Matt -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.03 - £0.16	£0.03 - £0.17
Printing	A5 Colour Paper -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.04 - £0.16	£0.04 - £0.17
Printing	A5 Gloss -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.04 - £0.17	£0.05 - £0.17
Printing	A5 Hi Grade Silk -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.05 - £0.17	£0.05 - £0.18
Printing	A5 Card -Dependant on mono or colour and single sided or double sided	Dependant on type of print	£0.05 - £0.18	£0.06 - £0.18

Agenda Item 14

Price List of Non Fixed Statutory Fees

Appendix A

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

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Local Land charges	Copy of Search	ST	£ 10.00	£ 10.00
Street Naming and numbering *		1 OS	-	£ 103.00
Street Naming and numbering *		2 OS	-	£ 144.00
Street Naming and numbering *		3 OS	-	£ 216.00
Street Naming and numbering *		4 OS	-	£ 288.00
Street Naming and numbering *		5 OS	-	£ 337.00
Street Naming and numbering *		6 OS	-	£ 382.00
Street Naming and numbering *		7 OS	-	£ 437.00
Street Naming and numbering *		8 OS	-	£ 492.00
Street Naming and numbering *		9 OS	-	£ 547.00
Street Naming and numbering *		10 OS	-	£ 602.00
Street Naming and numbering *		11 OS	-	£ 650.00
Street Naming and numbering *		12 OS	-	£ 689.00
Street Naming and numbering *		13 OS	-	£ 729.00
Street Naming and numbering *		14 OS	-	£ 769.00
Street Naming and numbering *		15 OS	-	£ 808.00
Street Naming and numbering *		16 OS	-	£ 848.00
Street Naming and numbering *		17 OS	-	£ 887.00
Street Naming and numbering *		18 OS	-	£ 927.00
Street Naming and numbering *		19 OS	-	£ 967.00
Street Naming and numbering *		20 OS	-	£ 1,006.00
Street Naming and numbering *		21 OS	-	£ 1,029.00
Street Naming and numbering *		22 OS	-	£ 1,078.00
Street Naming and numbering *		23 OS	-	£ 1,127.00
Street Naming and numbering *		24 OS	-	£ 1,176.00
Street Naming and numbering *		25 OS	-	£ 1,225.00
Street Naming and numbering *		26 OS	-	£ 1,248.00
Street Naming and numbering *		27 OS	-	£ 1,255.50
Street Naming and numbering *		28 OS	-	£ 1,302.00
Street Naming and numbering *		29 OS	-	£ 1,348.50
Street Naming and numbering *		30 OS	-	£ 1,350.00
Street Naming and numbering *		31 OS	-	£ 1,395.00
Street Naming and numbering *		32 OS	-	£ 1,440.00
Street Naming and numbering *		33 OS	-	£ 1,485.00
Street Naming and numbering *		34 OS	-	£ 1,530.00
Street Naming and numbering *		35 OS	-	£ 1,575.00
Street Naming and numbering *		36 OS	-	£ 1,620.00
Street Naming and numbering *		37 OS	-	£ 1,665.00
Street Naming and numbering *		38 OS	-	£ 1,710.00
Street Naming and numbering *		39 OS	-	£ 1,755.00
Street Naming and numbering *		40 OS	-	£ 1,760.00
Street Naming and numbering *		41 OS	-	£ 1,804.00
Street Naming and numbering *		42 OS	-	£ 1,848.00
Street Naming and numbering *		43 OS	-	£ 1,892.00
Street Naming and numbering *		44 OS	-	£ 1,936.00
Street Naming and numbering *		45 OS	-	£ 1,980.00
Street Naming and numbering *		46 OS	-	£ 2,024.00
Street Naming and numbering *		47 OS	-	£ 2,068.00
Street Naming and numbering *		48 OS	-	£ 2,112.00
Street Naming and numbering *		49 OS	-	£ 2,156.00
Street Naming and numbering *		50 OS	-	£ 2,175.00
Street Naming and numbering *		51 OS	-	£ 2,218.50
Street Naming and numbering *		52 OS	-	£ 2,262.00
Street Naming and numbering *		53 OS	-	£ 2,305.50
Street Naming and numbering *		54 OS	-	£ 2,349.00
Street Naming and numbering *		55 OS	-	£ 2,392.50
Street Naming and numbering *		56 OS	-	£ 2,436.00
Street Naming and numbering *		57 OS	-	£ 2,479.50
Street Naming and numbering *		58 OS	-	£ 2,523.00
Street Naming and numbering *		59 OS	-	£ 2,566.50
Street Naming and numbering *		60 OS	-	£ 2,580.00
Street Naming and numbering *		61 OS	-	£ 2,623.00
Street Naming and numbering *		62 OS	-	£ 2,666.00
Street Naming and numbering *		63 OS	-	£ 2,709.00
Street Naming and numbering *		64 OS	-	£ 2,752.00
Street Naming and numbering *		65 OS	-	£ 2,795.00
Street Naming and numbering *		66 OS	-	£ 2,838.00
Street Naming and numbering *		67 OS	-	£ 2,881.00
Street Naming and numbering *		68 OS	-	£ 2,924.00
Street Naming and numbering *		69 OS	-	£ 2,967.00
Street Naming and numbering *		70 OS	-	£ 2,975.00
Street Naming and numbering *		71 OS	-	£ 3,017.50
Street Naming and numbering *		72 OS	-	£ 3,060.00
Street Naming and numbering *		73 OS	-	£ 3,102.50
Street Naming and numbering *		74 OS	-	£ 3,145.00
Street Naming and numbering *		75 OS	-	£ 3,187.50
Street Naming and numbering *		76 OS	-	£ 3,230.00
Street Naming and numbering *		77 OS	-	£ 3,272.50
Street Naming and numbering *		78 OS	-	£ 3,315.00
Street Naming and numbering *		79 OS	-	£ 3,357.50
Street Naming and numbering *	80 + units	OS	-	POA
Street Naming and numbering *	Annexe	OS	-	£ 65.00
Street Naming and numbering *	Rename existing street	OS	-	£ 1,654.00
Street Naming and numbering *	Change an existing address	OS	-	£ 65.00
Street Naming and numbering *	Copy of schedule or postal plan	OS	-	£ 10.00
Street Naming and numbering *	Confirmation of address	OS	-	£ 42.00
Street Naming and numbering *	Renumbering development or amending issued schedule (PAU - Per Affected Unit)	OS	-	£ 42 (PAU)
New application	Band A (single pitch)	OS	£ -	£ -
New application	Band B (2-10 pitches)	OS	£ 542.00	£ 720.00
New application	Band C (11-25 pitches)	OS	£ 584.00	£ 770.00
New application	Band D (26-50 pitches)	OS	£ 653.00	£ 852.00
New application	Band E (51-100 pitches)	OS	£ 792.00	£ 1,017.00
New application	Band F (101-200 pitches)	OS	£ 1,071.00	£ 1,348.00
New application	Band G (201-400 pitches)	OS	£ 2,086.00	£ 2,554.00
New application	Band H (401-800 pitches)	OS	£ 3,199.00	£ 3,876.00
Annual fee	Dependant on site	OS	£137 - £1155	£159 - £1,343
Transfer	Band A	OS	£ 84.00	£ 99.00
Transfer	Band B-H	OS	£ 84.00	£ 99.00
Amendment	Band A	OS	£ 167.00	£ 198.00
Amendment	Band B-H	OS	£ 167.00	£ 198.00
Site rules	Band A	OS	£ 55.00	£ 66.00

Agenda Item 14

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Site rules	Band B-H	OS	£ 55.00	£ 66.00
Fit and Proper Person Application *		OS	£ -	£ 107.48
Travellers site	Rent, Per Week, per pitch	E	£ 89.18	£ 93.64
Nightly rental charge for emergency accommodation:	Single rate charged on household size			
	Shared room rate (LHA High Weald) - per week *	OS	£ -	£ 80.77
	1 bedroom rate (LHA High Weald) - per week	OS	£ 123.58	£ 137.31
	2 bedroom rate (LHA High Weald) - per week	OS	£ 160.97	£ 178.85
	3 bedroom rate (LHA High Weald) - per week	OS	£ 207.69	£ 230.33
	4 bedroom rate (LHA High Weald) - per week*	OS	£ -	£ 366.73
	5 bedroom rate (LHA High Weald) - per week*	OS	£ -	£ 542.31
HMO Licence	Application - up to 5 units	OS	£ 654.00	£ 972.00
HMO Licence Additional Units over 5	Additional unit	OS	£ 23.00	£ 23.00
HMO Licence Application Renewal		OS	£ 412.00	£ 972.00
Immigration Inspection	Set Fee	OS	£ 192.00	£ 192.00
Licensing	Sevenoaks (Annual Fee Invoicing) Request to amend or reissue invoice	OS	£ 10.00	£ 11.00
Licensing	Sevenoaks (Gambling) Request to amend Small Lottery Registration	OS	£ 10.00	£ 11.00
Licensing	S01 Bingo Club Premises - new application	OS	£ 2,480.00	£ 2,654.00
Licensing	S03 Bingo Club Premises - application for provisional statement	OS	£ 2,480.00	£ 2,654.00
Licensing	S06 Bingo Club Premises - application to vary	OS	£ 1,750.00	£ 1,750.00
Licensing	S05 Bingo Club Premises - application to transfer	OS	£ 1,200.00	£ 1,200.00
Licensing	S04 Bingo Club Premises - application for re-instatement	OS	£ 430.00	£ 484.00
Licensing	S02 Bingo Club Premises - annual fee	OS	£ 870.00	£ 931.00
Licensing	S07 Bingo Club Premises - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Bingo Club Premises - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Adult Gaming Centres - new application	OS	£ 1,944.00	£ 2,000.00
Licensing	S08 Adult Gaming Centres - licence application (provisional statement holders)	OS	£ 1,938.00	£ 2,000.00
Licensing	S06 Adult Gaming Centres - application to vary	OS	£ 1,000.00	£ 1,000.00
Licensing	S05 Adult Gaming Centres - application to transfer	OS	£ 1,200.00	£ 1,200.00
Licensing	S04 Adult Gaming Centres - application for re-instatement	OS	£ 435.00	£ 466.00
Licensing	S02 Adult Gaming Centres - annual fee	OS	£ 750.00	£ 750.00
Licensing	S07 Adult Gaming Centres - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Adult Gaming Centres - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Family Entertainment Centres - new application	OS	£ 1,944.00	£ 2,000.00
Licensing	S03 Family Entertainment Centres - application for provisional statement	OS	£ 1,938.00	£ 2,000.00
Licensing	S06 Family Entertainment Centres - application to vary	OS	£ 1,000.00	£ 1,000.00
Licensing	S05 Family Entertainment Centres - application to transfer	OS	£ 950.00	£ 950.00
Licensing	S04 Family Entertainment Centres - application for re-instatement	OS	£ 429.00	£ 459.00
Licensing	S02 Family Entertainment Centres - annual fee	OS	£ 715.00	£ 750.00
Licensing	S07 Family Entertainment Centres - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Family Entertainment Centres - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Betting Premises (excluding tracks) new	OS	£ 3,000.00	£ 3,000.00
Licensing	S03 Betting Premises (excluding tracks) - application for provisional statement	OS	£ 1,944.00	£ 2,080.00
Licensing	S06 Betting Premises (excluding tracks) - application to vary	OS	£ 1,500.00	£ 1,500.00
Licensing	S05 Betting Premises (excluding tracks) - application to transfer	OS	£ 1,200.00	£ 1,200.00
Licensing	S04 Betting Premises (excluding tracks) - application for re-instatement	OS	£ 429.00	£ 459.00
Licensing	S02 Betting Premises - Annual Fee (Invoiced)	OS	£ 600.00	£ 600.00
Licensing	S07 Betting Premises (excluding tracks) - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Betting Premises (excluding tracks) - notification of change	OS	£ 32.00	£ 35.00
Licensing	S01 Tracks - new application	OS	£ 1,944.00	£ 2,080.00
Licensing	S03 Tracks - application for provisional statement	OS	£ 1,894.00	£ 2,027.00
Licensing	S06 Tracks - application to vary	OS	£ 1,250.00	£ 1,250.00
Licensing	S05 Tracks - application to transfer	OS	£ 950.00	£ 950.00
Licensing	S04 Tracks - application for re-instatement	OS	£ 429.00	£ 459.00
Licensing	S02 Tracks - annual fee	OS	£ 870.00	£ 931.00
Licensing	S07 Tracks - copy of licence	OS	£ 13.00	£ 14.00
Licensing	S09 Tracks - notification of change	OS	£ 32.00	£ 35.00
Licensing	S03 Temporary Use Notice	OS	£ 251.00	£ 269.00
Licensing	S05 Temporary Use Notice - Notification of Change	OS	£ 32.00	£ 35.00
Licensing	S04 Temporary Use Notice - Copy of Temporary Use Notice	OS	£ 13.00	£ 14.00
Licensing	S09 Scrap Metal Salvage Dealer - Site Licence - grant	OS	£ 532.00	£ 570.00
Licensing	S10 Scrap Metal Salvage Dealer - Site Licence - Renewal	OS	£ 449.00	£ 481.00
Licensing	S11 Scrap Metal Salvage Dealer - Collector's licence - grant or renewal	OS	£ 324.00	£ 347.00
Licensing	SE Scrap Metal Salvage Dealer - Variation - change of site manager	OS	£ 193.00	£ 207.00
Licensing	SE Scrap Metal Salvage Dealer - Variation from collector to site licence	OS	£ 230.00	£ 246.00
Licensing	SE Scrap Metal Salvage Dealer - Variation from site to collector licence	OS	£ 149.00	£ 160.00
Licensing	SE Scrap Metal Salvage Dealer - minor administrative change to licence	OS	£ 36.00	£ 39.00
Licensing	S01 Hackney Carriage Drivers Licence - New Application 3 year	OS	£ 264.00	£ 264.00
Licensing	S02 Hackney Carriage Drivers Licence - Renewal 3 year	OS	£ 183.00	£ 183.00
Licensing	S06 Private Hire Drivers Licence - New Application 3 year	OS	£ 264.00	£ 264.00
Licensing	S07 Private Hire Drivers Licence - Renewal 3 year	OS	£ 183.00	£ 183.00
Licensing	S13 Dual Badge - New Application 3 year	OS	£ 264.00	£ 264.00
Licensing	S14 Dual Badge - Renewals 3 year	OS	£ 183.00	£ 183.00
Licensing	DUAL BADGE new - ONE YEAR	OS	N/A	£ 222.00
Licensing	hackney carriage driver - new 1 year	OS	N/A	£ 222.00
Licensing	hackney carriage driver - renewal 1 year	OS	N/A	£ 128.00
Licensing	private hire driver - new 1 year	OS	N/A	£ 222.00
Licensing	private hire driver - renewal 1 year	OS	N/A	£ 128.00
Licensing	S22 Taxi Additional Costs - Replacement Driver Badge	OS	£ 24.00	£ 13.00
Licensing	Change of Driver Licence Type	OS	£ 54.00	£ 26.00
Licensing	S28 Taxi Additional Costs - Change of name and address-Sevenoaks	OS	£ 18.00	£ 24.00

Agenda Item 14

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Licensing	S17 Private Hire Operators Licence - On initial application (1 year)	OS	£ 324.00	£ 324.00
Licensing	S18 Private Hire Operators Licence - Renewal (1 year licence)	OS	£ 164.00	£ 164.00
Licensing	S15 Private Hire Operators Licence - On initial application (3 year)	OS	£ 534.00	£ 534.00
Licensing	S16 Private Hire Operators Licence - Renewal (3 year licence)	OS	£ 374.00	£ 374.00
Licensing	S13 Private Hire Operators Licence - On initial application (5 year)	OS	£ 747.00	£ 747.00
Licensing	S14 Private Hire Operators Licence - Renewal (5 year licence)	OS	£ 586.00	£ 586.00
Licensing	S04 Hackney Carriage Vehicle Licence - New Application	OS	£ 325.00	£ 325.00
Licensing	S05 Hackney Carriage Vehicle Licence - Renewal	OS	£ 325.00	£ 325.00
Licensing	S19 Taxi Additional Costs - Change of Ownership of Licensed Vehicle	OS	£ 27.00	£ 26.00
Licensing	Sevenoaks- Add or Remove name from Vehicle Licence	OS	£ 18.00	£ 26.00
Licensing	S20 Taxi Additional Costs - Copies of existing licences	OS	£ 10.00	£ 13.00
Licensing	S09 Private Hire Vehicle Licence - New Application	OS	£ 297.00	£ 297.00
Licensing	S10 Private Hire Vehicle Licence - Renewal	OS	£ 297.00	£ 297.00
Licensing	Private Hire Exemption	OS	£ 42.00	£ 56.00
Licensing	Sevenoaks- Add or Remove name from Vehicle Licence	OS	£ 18.00	£ 26.00
Licensing	Temporary replacement vehicle- Sevenoaks	OS	£ 33.00	£ 100.00
Licensing	Taxi Knowledge Test Sevenoaks	OS	£ 51.50	£ 51.50
Licensing	Equo Online test	OS	£ 66.00	£ 66.00
Licensing	S23 Taxi Additional Costs - Replace Vehicle Plate	OS	£ 18.00	£ 19.00
Licensing	Sevenoaks- DBS administration fee	OS	£ 30.00	£ 30.00
Licensing	Sexual Entertainment (New Application)- Sevenoaks	OS	£ 3,641.00	£ 3,896.00
Licensing	S02 Sex Shops (Annual renewal)	OS	£ 3,641.00	£ 3,896.00
Licensing	Sexual Entertainment (Transfer)- Sevenoaks	OS	£ 1,825.00	£ 1,953.00
Licensing	Sevenoaks (Licensing & Gambling) One hour Pre-App advice	ST	£ 75.00	£ 80.00
Licensing	Sevenoaks (Licensing & Gambling) pre-app site visit	ST	£ 100.00	£ 107.00
Licensing	Sevenoaks (Licensing: Minor Variation) 30mins Pre-App Advice	ST	£ 35.00	£ 38.00
Licensing	Sevenoaks (Licensing: Hub Check & Send) Pre-App Support	ST	£ 40.00	£ 43.00
Licensing	Sevenoaks (Licensing: Hub Check & Send) Temporary Event Notice Only	ST	£ 15.00	£ 16.00
Licensing	Sevenoaks (Licensing Hub admin charges) Amend/re-issue invoice for statutory annual fee	ST	£ 10.00	£ 11.00
Licensing	Sevenoaks (Licensing Hub admin charges) amend contact details for lottery registration	ST	£ 10.00	£ 11.00
Licensing	Sevenoaks Pavement Licence new	OS	£ 100.00	unknown at present
Licensing	Sevenoaks Pavement Licence renewal	OS	£ 100.00	unknown at present
Planning*	CIL Rates - Residential Area A - Rates after indexation has been applied, applicable to Planning applications granted.	OS	185.67 per m2	185.67 per m2
Planning *	CIL Rates - Residential Area B - Rates after indexation has been applied, applicable to Planning applications granted.	OS	111.40 m2	111.40 m2
Planning *	CIL Rates - Supermarkets and Superstores - Rates after indexation has been applied, applicable to Planning applications granted.	OS	185.67 per m2	185.67 per m2
Planning *	CIL Rates - Retail warehousing - Rates after indexation has been applied, applicable to Planning applications granted.	OS	185.67 per m2	185.67 per m2
Planning *	CIL Rates - Other Developments - Rates after indexation has been applied, applicable to Planning applications granted.	OS	0 m2	0 m2
Planning	Pre Application Fees Large Majors = 50 plus dwellings/1ha Meeting	ST	£550.00 per hour (minimum four hours £2,200)	£825.00 per hour (minimum four hours £3,300)
Planning	Pre Application Fees Majors 10-49 dwellings - 0.5-1ha Meeting	ST	£480.00 per hour (minimum three hours £1,440)	£739.50 per hour (minimum three hours £2,218.50)
Planning	Pre Application Fees Minors 1-9 dwellings Meeting	ST	£450.00 one hour	£675.00 one hour
Planning	Pre Application Fees Minors 1-9 dwellings Letter	ST	£ 360.00	£ 540.00
Planning	Pre Application Fees Others Letter	ST	£ 180.00	£ 270.00
Planning	Pre Application Fees Householders Meeting	ST	£120 (thirty minutes)	£180 (thirty minutes)
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan fee- 1 unit	ST	£ 312.00	£ 336.00
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Inspection Fee - 1 Unit	ST	£ 630.00	£ 678.00
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge 1 Unit	ST	£ 954.00	£ 1,026.00
Building Control	H01 New build and conversions: Bungalows or houses less than three storeys less than 300m ² floor area - Regularisation Charge 1 Unit (VAT is not payable on Regularisation applications)	OS	£ 1,192.50	£ 1,282.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan fee- 2 units	ST	£ 390.00	£ 420.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Inspection fee- 2 units	ST	£ 1,038.00	£ 1,116.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge- 2 units	ST	£ 1,428.00	£ 1,536.00
Building Control	H02 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 2 Units (VAT is not payable on Regularisation applications)	OS	£ 1,785.00	£ 1,919.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan Fee 3 units	ST	£ 468.00	£ 504.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Inspection 3 units	ST	£ 1,362.00	£ 1,464.00

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Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge 3 units	ST	£ 1,830.00	£ 1,968.00
Building Control	H03 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 3 units(VAT is not payable on Regularisation applications)	OS	£ 2,287.50	£ 2,459.00
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan Fee 4 units	ST	£ 546.00	£ 586.50
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Inspection 4 units	ST	£ 1,680.00	£ 1,806.00
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge 4 units	ST	£ 2,226.00	£ 2,392.50
Building Control	H04 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 4 units (VAT is not payable on Regularisation applications)	OS	£ 2,782.50	£ 2,991.00
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Plan Fee 5 units	ST	£ 624.00	£ 670.50
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Full Plans Application Inspection Fee 5 units	ST	£ 1,842.00	£ 1,981.50
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Building Notice Charge 5 units	ST	£ 2,466.00	£ 2,650.50
Building Control	H05 New build and conversions: Bungalows or houses less than three storeys less than 300m2 floor area - Regularisation Charge 5 units (VAT is not payable on Regularisation applications)	OS	£ 3,082.50	£ 3,314.00
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 168.00	£ 180.00
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 456.00	£ 490.50
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Building Notice Charge	ST	£ 624.00	£ 670.50
Building Control	F01 New build and conversions: 1 Flat less than 300m2 floor area - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 780.00	£ 839.00
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 456.00	£ 490.50
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 768.00	£ 826.50
Building Control	F02 New build and conversions: 2 Flats less than 300m2 floor area - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 960.00	£ 1,032.00
Building Control	F03 New build and conversions: 3 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 390.00	£ 420.00
Building Control	F03 New build and conversions: 3 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 642.00	£ 691.50
Building Control	F03 New build and conversions: 3 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 1,032.00	£ 1,110.00
Building Control	F03 New build and conversions: 3 Flats - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,290.00	£ 1,387.00
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 468.00	£ 504.00
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 498.00	£ 535.50
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 1,266.00	£ 1,360.50
Building Control	F04 New build and conversions: 4 Flats less than 300m2 floor area - Regularisation Charge	OS	£ 1,582.50	£ 1,701.00
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Full Plans Application Plan Fee	ST	£ 546.00	£ 586.50
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Full Plans Application Inspection Fee	ST	£ 1,089.00	£ 1,171.50
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Building Notice Charge	ST	£ 1,635.00	£ 1,758.00
Building Control	F05 New build and conversions: 5 Flats less than 300m2 floor area - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 2,043.75	£ 2,197.00
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a floor area less than 10m² Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a floor area less than 10m² Full Plans Application Inspection Fee	ST	£ 390.00	£ 420.00
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a floor area less than 10m² Building Notice Charge	ST	£ 546.00	£ 586.50
Building Control	D01 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level - Single storey extension with a floor area less than 10m² Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 682.50	£ 734.00
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m² & 40m² Full Plans Application Plan Fee	ST	£ 234.00	£ 252.00

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Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Full Plans Application Inspection Fee	ST	£ 546.00	£ 586.50
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Building Notice Charge	ST	£ 780.00	£ 838.50
Building Control	D02 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with a with- floor area between 10m ² & 40m ² Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 975.00	£ 1,049.00
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Full Plans Application Inspection Fee	ST	£ 624.00	£ 670.50
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Building Notice Charge	ST	£ 936.00	£ 1,006.50
Building Control	D03 Extensions to a single dwelling - Limited to work not more than 3 storeys above ground level Single storey extension with floor area between 40m ² & 100m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,170.00	£ 1,258.00
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Full Plans Application Inspection Fee	ST	£ 624.00	£ 670.50
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Building Notice Charge	ST	£ 936.00	£ 1,006.50
Building Control	D04 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,170.00	£ 1,258.00
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Full Plans Application Inspection Fee	ST	£ 702.00	£ 754.50
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Building Notice Charge	ST	£ 1,014.00	£ 1,090.50
Building Control	D05 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m ² to 100m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,267.00	£ 1,363.00
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Full Plans Application Plan Fee	ST	£ 390.00	£ 420.00
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Full Plans Application Inspection Fee	ST	£ 864.00	£ 928.50
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Building Notice Charge	ST	£ 1,254.00	£ 1,348.50
Building Control	D20 Extensions to a single dwelling - Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 100m ² to 150m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,567.50	£ 1,686.00
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Full Plans Application Inspection Fee	ST	£ 390.00	£ 420.00
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Building Notice Charge	ST	£ 546.00	£ 586.50
Building Control	D06 Extensions to a single dwelling - Extension comprising SOLELY a garage, carport or store with a floor area less than 60m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 682.50	£ 734.00
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Full Plans Application Inspection Fee	ST	£ 390.00	£ 420.00
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Building Notice Charge	ST	£ 546.00	£ 586.50
Building Control	D07 Works to a single dwelling - Detached non-habitable domestic building with a floor area less than 60m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 682.50	£ 734.00

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Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Full Plans Application Plan Fee	ST	£ 270.00	£ 291.00
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Full Plans Application Inspection Fee	ST	£ 540.00	£ 580.50
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Building Notice Charge	ST	£ 810.00	£ 870.00
Building Control	D07A Works to a single dwelling - Detached habitable domestic building with a floor area less than 60m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,012.50	£ 1,089.00
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Full Plans Application Plan Fee	ST	£ 312.00	£ 336.00
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Full Plans Application Inspection Fee	ST	£ 624.00	£ 670.50
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Building Notice Charge	ST	£ 936.00	£ 1,006.50
Building Control	D08 Conversions to a single dwelling - Loft conversions with a floor area less than 40m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,170.00	£ 1,258.00
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Full Plans Application Plan Fee	ST	£ 321.00	£ 346.00
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Full Plans Application Inspection Fee	ST	£ 702.00	£ 754.50
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Building Notice Charge	ST	£ 1,014.00	£ 1,090.50
Building Control	D09 Conversions to a single dwelling - Loft conversions with a floor area between 40m ² & 100m ² - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,267.00	£ 1,362.00
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Full Plans Application Plan Fee	ST	£ 156.00	£ 168.00
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Full Plans Application Inspection Fee	ST	£ 288.00	£ 310.50
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Building Notice Charge	ST	£ 444.00	£ 478.50
Building Control	D10 Conversions to a single dwelling - Conversion of a garage to a habitable room - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 555.00	£ 597.00
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Full Plans Application - Plan Fee	ST	£ 234.00	£ 252.00
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Full Plans Inspection Application - Inspection Fee		£ -	£ -
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Building Notice Charge	ST	£ 234.00	£ 252.00
Building Control	D11 Alterations to a single dwelling and all other non-domestic work - Renovation of a thermal element ie recovering a roof or recladding walls where the work is not more than 3 storeys above ground level - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 292.50	£ 315.00
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level- Full Plans Application Plan Fee	ST	£ 234.00	£ 252.00
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level - Full Plans Application Inspection Fee		£ -	£ -
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level- Building Notice Charge	ST	£ 234.00	£ 252.00
Building Control	D12 Alterations to a single dwelling and all other non-domestic work - Replacement of windows, roof windows, or external glazed doors where the work is not more than 3 storeys above ground level- Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 292.50	£ 315.00
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Full Plans Application Plan Fee	ST	£ 330.00	£ 355.50
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Full Plans Application Inspection Fee		£ -	£ -
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Building Notice Charge	ST	£ 330.00	£ 355.50

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	D14 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £0,000 & £5,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 412.50	£ 444.00
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Full Plans Application Plan Fee	ST	£ 195.00	£ 210.00
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Full Plans Application Inspection Fee	ST	£ 330.00	£ 355.50
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Building Notice Charge	ST	£ 525.00	£ 565.50
Building Control	D15 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £5,001 & £15,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 656.25	£ 705.00
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £15,001 & £25,000 - Full Plans Application Plan Fee	ST	£ 222.00	£ 238.50
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £15,001 & £25,000 - Full Plans Application Inspection Fee	ST	£ 438.00	£ 471.00
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £15,001 & £25,000 - Building Notice Charge	ST	£ 660.00	£ 709.50
Building Control	D16 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £15,001 & £25,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 825.00	£ 886.50
Building Control	D17 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £25,001 & £50,000 - Full Plans Application Plan Fee	ST	£ 351.00	£ 378.00
Building Control	D17 Alterations to a single dwelling and all other non-domestic work - where the work is not more than 3 storeys above ground level Cost of work between £25,001 & £50,000 - Full Plans Application Inspection Fee	ST	£ 708.00	£ 762.00
Building Control	D17 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £25,001 & £50,000 - Building Notice Charge	ST	£ 1,059.00	£ 1,138.50
Building Control	D17 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £25,001 & £50,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,323.75	£ 1,423.50
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £50,001 & 100,000 - Full Plans Application Plan Fee	ST	£ 436.00	£ 469.50
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £50,001 & 100,000 - Full Plans Application Inspection Fee	ST	£ 858.00	£ 922.50
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £50,001 & 100,000 - Building Charge Notice	ST	£ 1,294.00	£ 1,392.00
Building Control	D18 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £50,001 & 100,000 - Regularisation Charge (VAT is not payable on Regularisation applications)	OS	£ 1,617.50	£ 1,738.50
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £100,001 & £200,000 - Full Plans Application Plan Fee	ST	£ 540.00	£ 580.50
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £100,001 & £200,000 - Full Plans Application Inspection Fee	ST	£ 1,020.00	£ 1,096.50
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level- Cost of work between £100,001 & £200,000 - Building Notice Charge	ST	£ 1,560.00	£ 1,677.00
Building Control	D21 Alterations to a single dwelling and all other non-domestic work where the work is not more than 3 storeys above ground level - Cost of work between £100,001 & £200,000 - Regularisation Charge. VAT is not payable on Regularisation applications	OS	£ 1,950.00	£ 2,097.00
Building Control	D19 Where a satisfactory competent Persons certificate will not be issued, eg Part P, GASAFE, HETAS, OFTEC.	ST	£ 348.00	£ 375.00
Building Control	Where work is to a dwelling or a building to which members of the public are admitted, and the work is solely for the benefit of disabled persons. Further details available.	OS	Non-chargeable	Non-chargeable
Building Control	Where the work does not fit into any of the above elements, the Building Control Office must be contacted to discuss and agree the applicable fees.	ST		Dependent on the complexity of the project. Fee determined on request by applicant.

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Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Building Control	Where domestic alterations up to £15,000 are to be carried out at the same time as work described in code D01 to D07 or in code D20, the charge payable in D14 or D15, as applicable, can be reduced by 30%.	ST		Fee determined on submission of application
Building Control	Where one or more extensions, and a loft conversion or a garage conversion is proposed and the work is carried out at the same time the sum of the fees can be reduced by 30%	ST		Fee determined on submission of application
Building Control	Copy of Notices and Certificates if they are already available on the Council's website.	ST	N/A	£ 60.00
Building Control	Per hour a charge may be made after the first hour, where an application is commenced and inspections carried out, and a request to inspect the site is not received for more than 2 years from the date of the last inspection.	ST	N/A	£81 dependent on the complexity of the project and the date the application was submitted.
Building Control	Request to make an amendment to the Full Plans application or Building Notice description of works for a valid application	ST	N/A	£ 60.00
Building Control	Request to make amendments to the details of the Full Plans application or the Building Notice, requiring changes to, and re-issuing of, invoices due to changes in proposed work	ST	N/A	Minimum charge of £60.00 dependent on the complexity of the changes requested.
Building Control	Research and providing copies of previously submitted information that is not in digital format. Copies only available where copyright and professional privacy do not apply.	ST	N/A	First hour £0.00 after that charge of £60.00 per hour or part thereof will be payable
Environmental Health	Stray Dog Charges Statutory Fine/ Fee	OS	£ 25.00	£ 68.00
Environmental Health	Stray Dog Charges Cost for administration and processing of a stray plus any additional vet costs.	OS	£ 66.00	£ 68.00
Environmental Health	Stray Dog Charges Cost for Kennelling per day plus any additional vet costs.	OS	£ 17.00	£ 17.00
Environmental Health	Animal Licence - Selling of Animals as Pets Licence Fee - plus vet fees where necessary	OS	£ 457.00	£ 629.00
Environmental Health	Animal Licence - Selling of Animals as Pets Renewal Licence Fee - plus vet fees where necessary	OS	£ 409.00	£ 590.00
Environmental Health	Animal Licence - Breeding of Dogs Licence Fee - plus vet fees where necessary	OS	£ 457.00	£ 603.00
Environmental Health	Animal Licence - Breeding of Dogs Renewal Licence Fee - plus vet fees where necessary	OS	£ 409.00	£ 563.00
Environmental Health	Animal Licence - Animal Boarding Commercial Kennels/ Catteries) Licence Fee - plus vet fees where necessary	OS	£ 457.00	£ 563.00
Environmental Health	Animal Licence - Animal Boarding Commercial Kennels/ Catteries) Renewal Licence Fee - plus vet fees where necessary	OS	£ 409.00	£ 590.00
Environmental Health	Animal Licence - Animal Boarding (Home Boarding and Day Care) Licence Fee - plus vet fees where necessary	OS	£ 422.00	£ 576.00
Environmental Health	Animal Licence - Animal Boarding (Home Boarding and Day Care) Renewal Licence Fee - plus vet fees where necessary	OS	£ 374.00	£ 537.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Licence Fee	OS	£ 422.00	£ 576.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Plus each franchise	OS	£ 167.00	£ 207.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Renewal Licence Fee - plus vet fees where necessary	OS	£ 374.00	£ 537.00
Environmental Health	Animal Licence - Animal Boarding Franchise for cats or dogs (Kennel/Cattery) Plus each franchise	OS	£ 167.00	£ 207.00
Environmental Health	Animal Licence - Training Animals for Exhibition Licence Fee - plus vet fees where necessary	OS	£ 422.00	£ 576.00
Environmental Health	Animal Licence - Training Animals for Exhibition Renewal Licence Fee - plus vet fees where necessary	OS	£ 374.00	£ 537.00
Environmental Health	Animal Licence - Hiring Out Horses Licence Fee - plus vet fees where necessary	OS	£ 529.00	£ 735.00
Environmental Health	Animal Licence - Hiring Out Horses Renewal Licence Fee - plus vet fees where necessary	OS	£ 481.00	£ 696.00
Environmental Health	Animal Licence - Dangerous Wild Animals Licence Licence Fee - plus vet fees where necessary	OS	£ 529.00	£ 629.00
Environmental Health	Animal Licence - Dangerous Wild Animals Licence Renewal Licence Fee - plus vet fees where necessary	OS	£ 410.00	£ 590.00
Environmental Health	Animal Licence - Operating a Zoo Licence Fee - plus vet fees	OS	£ 2,891.00	£ 4,334.00
Environmental Health	Animal Licence - Operating a Zoo Renewal Licence Fee - plus vet fees	OS	£ 2,843.00	£ 4,294.00
Environmental Health	Animal Licence- Fee for re-inspection at the request of a operator	ST		£ 150.00
Environmental Health	Environmental Protection Team - Fixed Penalty Notice for failing to comply with a Community Protection Notice	OS	£ 75.00	£ 100.00
Environmental Health	Environmental Protection Team - Environmental Consultancy including searches First 2 Hours	ST	£ 120.00	£ 151.00
Environmental Health	Environmental Protection Team - Environmental Consultancy including searches Per hour thereafter	ST	£ 60.00	£ 76.00
Environmental Health	Skin piercing Registration - Ear piercing with a hygienic piercing instrument Initial Registration fee (including one practitioner)	OS	£ 148.00	£ 152.00
Environmental Health	Skin piercing Registration - Ear piercing with a hygienic piercing instrument Each additional practitioner	OS	£ 37.00	£ 38.00
Environmental Health	Skinpiercing Registration - Nose piercing with an hygienic piercing instrument Initial Registration fee (including one practitioner)	OS	£ 148.00	£ 152.00
Environmental Health	Skinpiercing Registration - Nose piercing with an hygienic piercing instrument Each additional practitioner	OS	£ 37.00	£ 38.00
Environmental Health	Skinpiercing Registration - Electrolysis Initial Registration fee (including one practitioner)	OS	£ 210.00	£ 216.00
Environmental Health	Skinpiercing Registration - Electrolysis Each additional practitioner	OS	£ 52.00	£ 54.00
Environmental Health	Skinpiercing Registration - Acupuncture Initial Registration fee (including one practitioner)	OS	£ 190.00	£ 195.00
Environmental Health	Skinpiercing Registration - Acupuncture Each additional practitioner	OS	£ 52.00	£ 54.00

Price List of Non Fixed Statutory Fees

Appendix A

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Environmental Health	Skinpiercing Registration - Cosmetic body piercing (including ear/nose with a hygienic piercing instrument where trained) Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Cosmetic body piercing (including ear/nose with a hygienic piercing instrument where trained) Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Skinpiercing Registration - Tattooing Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Tattooing Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up - micropigmentation Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up - micropigmentation Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up - Microblading Initial Registration fee (including one practitioner)	OS	£ 316.00	£ 324.00
Environmental Health	Skinpiercing Registration - Semi-permanent make up - Microblading Each additional practitioner	OS	£ 106.00	£ 109.00
Environmental Health	Food Hygiene - Re-score visit	OS	£ 200.00	£ 205.00
Environmental Health	Food Hygiene - Safer Food Better Business Pack Caterers*	OS	£ 13.00	£ 13.00
Environmental Health	Food Hygiene - Safer Food Better Business Pack Retailers	OS	£ 12.00	£ 12.00
Environmental Health	Food Hygiene - Safer Food Better Business Pack 12 Months of diary sheets	OS	£ 12.00	£ 12.00
Environmental Health	Gain or Retain a 5 Scheme	ST	N/A	£ 210.00
Environmental Health	Food Hygiene - Charging for advice First 2 Hours	ST	£ 120.00	£ 151.00
Environmental Health	Food Hygiene - Charging for advice Per hour thereafter	ST	£ 60.00	£ 76.00
Environmental Health	Private Water Supplies set fees. - Risk Assessment. Per Hour	OS	£ 35.00	£ 53.00
* Charging structure has been revised for 2024/25 so no direct comparison available				

Agenda Item 14

Price List of Statutory Fees

Appendix A (Cont)

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

Price List of Statutory Fees

Appendix A (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band D	OS	£ 320.00	£ 320.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band E	OS	£ 350.00	£ 350.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band D with Multiplier	OS	£ 640.00	£ 640.00
Licensing	Premises Licence/Club Premises Certificate - Annual Fee Band E with Multiplier	OS	£ 1,050.00	£ 1,050.00
Licensing	S22 Premises Licence - Other Fees - Theft, loss etc of premises licence or Club Premises Certificate	OS	£ 10.50	£ 10.50
Licensing	S18 Premises Licence - Other Fees - Notification of change of name or address	OS	£ 10.50	£ 10.50
Licensing	S14 Premises Licence - Other Fees - Designated premises supervisor - variation of mandatory condition	OS	£ 23.00	£ 23.00
Licensing	S19 Premises Licence - Other Fees - Notification of change of name or alteration of rules of club	OS	£ 10.50	£ 10.50
Licensing	Lottery Licence - New Lottery Licence	OS	£ 40.00	£ 40.00
Licensing	S02 Lottery Licence - Annual Fee	OS	£ 20.00	£ 20.00
Licensing	S05 Club Gaming Permits - Grant	OS	£ 200.00	£ 200.00
Licensing	S06 Club Gaming Permits - Grant (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S07 Club Gaming Permits - Renewal	OS	£ 200.00	£ 200.00
Licensing	S08 Club Gaming Permits - Renewal (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S09 Club Gaming Permits - Variation	OS	£ 100.00	£ 100.00
Licensing	S01 Club Gaming Permits - Annual Fee	OS	£ 50.00	£ 50.00
Licensing	S03 Club Gaming Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	S05 Club Machine Permits - Grant	OS	£ 200.00	£ 200.00
Licensing	S06 Club Machine Permits - Grant (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S07 Club Machine Permits - Renewal	OS	£ 200.00	£ 200.00
Licensing	S08 Club Machine Permits - Renewal (Club Premises Certificate Holder)	OS	£ 100.00	£ 100.00
Licensing	S09 Club Machine Permits - Variation	OS	£ 100.00	£ 100.00
Licensing	S01 Club Machine Permits - Annual Fee (Club Premises Certificate Holder)	OS	£ 50.00	£ 50.00
Licensing	S03 Club Machine Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	S05 Gaming Machine Permit - Grant	OS	£ 150.00	£ 150.00
Licensing	S04 Gaming Machine Permit - Existing operator grant	OS	£ 100.00	£ 100.00
Licensing	S07 Gaming Machine Permit - Variation	OS	£ 100.00	£ 100.00
Licensing	S06 Gaming Machine Permit - Transfer	OS	£ 25.00	£ 25.00
Licensing	S01 Gaming Machine Permit - Annual Fee	OS	£ 50.00	£ 50.00
Licensing	S02 Gaming Machine Permit - Change of name	OS	£ 25.00	£ 25.00
Licensing	S03 Gaming Machine Permit - Copy of permit	OS	£ 15.00	£ 15.00
Licensing	Licensed Premises Automatic Notification	OS	£ 50.00	£ 50.00
Licensing	S04 Family Entertainment Centre Gaming Machine Permits - Grant	OS	£ 300.00	£ 300.00
Licensing	S03 Family Entertainment Centre Gaming Machine Permits - Existing Operator Grant	OS	£ 100.00	£ 100.00
Licensing	S05 Family Entertainment Centre Gaming Machine Permits - Renewal	OS	£ 300.00	£ 300.00
Licensing	S01 Family Entertainment Centre Gaming Machine Permits - Change of Name	OS	£ 25.00	£ 25.00
Licensing	S02 Family Entertainment Centre Gaming Machine Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	S04 Prize Gaming Permits - Grant	OS	£ 300.00	£ 300.00
Licensing	S03 Prize Gaming Permits - Existing Operator Grant	OS	£ 100.00	£ 100.00
Licensing	S05 Prize Gaming Permits - Renewal	OS	£ 300.00	£ 300.00
Licensing	S01 Prize Gaming Permits - Change of Name	OS	£ 25.00	£ 25.00
Licensing	S02 Prize Gaming Permits - Copy of Permit	OS	£ 15.00	£ 15.00
Licensing	DBS application	OS	£ 38.00	£ 38.00
Planning	Alterations/extensions to a single dwellinghouse, including works within boundaries - Alterations/extensions to a single dwellinghouse, including works within boundaries - Single Dwelling	OS	£ 206.00	£ 258.00
Planning	Outline Applications - Site area - Not more than 2.5 hectares - Per 0.1 hectare or part thereof	OS	£ 462.00	£ 624.00
Planning	Outline Applications - Site area - More than 2.5 hectares	OS	£ 11,432.00	£ 15,433.00
Planning	Outline Applications - Site area - Each additional 0.1 hectare or part thereof in excess of 2.5 hectares	OS	£ 138.00	£ 186.00
Planning	Outline Applications - Site area - Maximum fee	OS	£ 150,000.00	£ 202,500.00
Planning	Full Applications ** - Alterations/extensions to a dwellinghouse, including works within boundaries - 1 dwellinghouse or flat	OS	£ 206.00	£ 258.00
Planning	Full Applications** - 2+ dwellinghouses or flats - Each	OS	£ 407.00	£ 509.00
Planning	Full Applications** - New dwellinghouses - Not more than 50 dwellinghouses - Each	OS	£ 462.00	£ 624.00
Planning	Full Applications** - 50+ dwellinghouses	OS	£ 22,859.00	£ 30,860.00
Planning	Full Applications** - Each additional dwellinghouse in excess of 50	OS	£ 138.00	£ 186.00
Planning	Full Applications** - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - No increase in gross floor space or no more than 40 square meters	OS	£ 234.00	£ 293.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - 40-75 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - 75-3,750 square meters - Per 75 square meters or part thereof	OS	£ 462.00	£ 624.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - 3,750+ square meters	OS	£ 22,859.00	£ 30,680.00
Planning	Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - Each additional 75 square meters or part thereof in excess of 3,750 square meters	OS	£ 138.00	£ 186.00

Agenda Item 14

Price List of Statutory Fees

Appendix A (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Planning	Erection of buildings (not dwellingshouses, agricultural, glasshouses, plant nor machinery) - Gross floor space to be created by the development - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Not more than 465 square meters	OS	£ 96.00	£ 120.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - 465-540 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - 540-4,215 square meters - First 540 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Each additional 75 square meters or part thereof in excess of 540 square meters	OS	£ 462.00	£ 578.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - 4,215+ square meters	OS	£ 22,859.00	£ 30,860.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Each additional 75 square meters or part thereof in excess of 4,215 square meters	OS	£ 138.00	£ 186.00
Planning	Erection of buildings (on land used for agriculture purposes) - Gross floor space to be created by the development - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Erection of glasshouses (on land used for agriculture purposes) - Gross floor space to be created by the development - Not more than 465 square meters	OS	£ 96.00	£ 120.00
Planning	Erection of glasshouses (on land used for agriculture purposes) - Gross floor space to be created by the development - More than 465 square meters	OS	£ 2,580.00	£ 3,225.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - Not more than 5 hectares - Per 0.1 hectare or part thereof	OS	£ 462.00	£ 624.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - More than 5 hectares	OS	£ 22,859.00	£ 30,860.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - Each additional 0.1 hectare or part thereof in excess of 5 hectares	OS	£ 138.00	£ 186.00
Planning	Erection/alterations/replacement of plant and machinery - Site area - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Applications other than building works - Car parks, service roads or other access - For existing users	OS	£ 234.00	£ 293.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - Not more than 15 hectares - Per 0.1 hectare or part thereof	OS	£ 234.00	£ 316.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - More than 15 hectares	OS	£ 34,934.00	£ 47,161.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - Each additional 0.1 hectare or part thereof in excess of 15 hectares	OS	£ 138.00	£ 186.00
Planning	Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals) - Site area - Maximum fee	OS	£ 78,000.00	£ 78,000.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - Not more than 7.5 hectares - Per 0.1 hectare or part thereof	OS	£ 508.00	£ 686.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - More than 7.5 hectares	OS	£ 38,070.00	£ 51,395.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - Each additional 0.1 hectare or part thereof in excess of 7.5 hectares	OS	£ 151.00	£ 204.00
Planning	Operations connected with exploratory drilling for oil or natural gas - Site area - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - Not more than 15 hectares - Per 0.1 hectare or part thereof	OS	£ 257.00	£ 347.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - More than 15 hectares	OS	£ 38,520.00	£ 52,002.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - Each additional 0.1 hectare or part thereof in excess of 15 hectares	OS	£ 151.00	£ 204.00
Planning	Operations (other than exploratory drilling) for the winning and working of oil or natural gas - Site area - Maximum fee	OS	£ 78,000.00	£ 105,300.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - Not more than 15 hectares - Per 0.1 hectare or part thereof	OS	£ 234.00	£ 316.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - More than 15 hectares	OS	£ 34,934.00	£ 47,161.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - Each additional 0.1 hectare or part thereof in excess of 15 hectares	OS	£ 138.00	£ 186.00
Planning	Other operations (winning and working of minerals) excluding oil and natural gas - Site area - Maximum fee	OS	£ 78,000.00	£ 105,300.00
Planning	Other operations (not coming within any of the above categories) - Site area - Any site area - Per 0.1 hectare or part thereof	OS	£ 234.00	£ 293.00
Planning	Other operations (not coming within any of the above categories) - Site area - Maximum fee	OS	£ 2,028.00	£ 2,535.00
Planning	Change of Use of a building to use as one or more separate dwellingshouses, or other cases - Number of dwellingshouses - Not more than 50 dwellingshouses - Each	OS	£ 462.00	£ 624.00

Price List of Statutory Fees

Appendix A (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - 50+ dwellinghouses	OS	£ 22,859.00	£ 30,860.00
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - Each additional dwellinghouse in excess of 50	OS	£ 138.00	£ 186.00
Planning	Change of Use of a building to use as one or more separate dwellinghouses, or other cases - Number of dwellinghouses - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Other Changes of Use of a building or land	OS	£ 462.00	£ 578.00
Planning	Lawful Development Certificate - Existing use or operation - Full application fee**	OS		
Planning	Lawful Development Certificate - Existing use or operation - lawful not to comply with any condition or limitation - Full application fee**	OS	£ 234.00	£ 293.00
Planning	Lawful Development Certificate - Proposed use or operation - Half of the application fee**	OS	TBC	TBC
Planning	Prior Approval (under Permitted Development rights) - Larger Home Extensions	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Additional storeys on a home	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Agricultural and Forestry buildings & operations	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Demolition of buildings	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Communications (previously referred to as 'Telecommunications Code Systems Operators')	OS	£ 462.00	£ 578.00
Planning	Prior Approval (under Permitted Development rights) - Change of use from Commercial/Business/Service (Use Class E), Betting Office or Pay Day Loan Shop to mixed use including up to two flats (Use Class C) -	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Commercial/Business/Service (Use Class E), Hotels (Use Class C1), Residential Institutions (Use Class C2), Secure Residential Institutions (Use Class C2A) to a State Funded School	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to a State-Funded School	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to a flexible commercial use within Commercial/Business/Service (Use Class E), Storage or Distribution (Use Class B8), or Hotels (Use Class C1)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Commercial/Business/Service (Use Class E) to dwellinghouses (Use Class C3) - Each	OS	£ 100.00	£ 125.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to dwellinghouses (Use Class C3) - Each	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from an Agricultural Building to dwellinghouses (Use Class C3) - If building operations in connection with the change of use are included	OS	£ 206.00	£ 258.00
Planning	Prior Approval (under Permitted Development rights) - Change of use of a building from Betting Office, Pay Day Loan Shop, Launderette; a mixed use combining one of these uses and use as Dwellinghouse(s); or Hot Food Takeaways to dwellinghouses (Use Class C3)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of use of a building from Betting Office, Pay Day Loan Shop, Launderette; a mixed use combining one of these uses and use as Dwellinghouse(s); or Hot Food Takeaways to dwellinghouses (Use Class C3) - If building operations in connection with the change of use are included	OS	£ 206.00	£ 258.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Amusement Arcades/Centres and Casinos to Dwellinghouses (Use Class C3)	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Change of Use of a building and any land within its curtilage from Amusement Arcades/Centres and Casinos to Dwellinghouses (Use Class C3) - If building operations in connection with the change of use are included	OS	£ 206.00	£ 258.00
Planning	Prior Approval (under Permitted Development rights) - Temporary Use of Buildings or Land for the Purpose of Commercial Film-Making and the Associated Temporary Structures, Works, Plant or Machinery required in connection with that use	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Provision of Temporary School Buildings on Vacant Commercial Land and the use of that land as a State-funded School for up to 3 Academic Years	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Development Consisting of the Erection or Construction of a Collection Facility within the Curtilage of a Shop	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the Roofs of Non-domestic Buildings, up to a Capacity of 1 Megawatt -	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Erection, extension, or alteration of a university building	OS	£ 96.00	£ 120.00

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Price List of Statutory Fees

Appendix A (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Planning	Prior Approval (under Permitted Development rights) - Movable structure within the curtilage of a historic visitor attraction, or listed pub/restaurant/etc -	OS	£ 96.00	£ 120.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - Not more than 50 dwellinghouses - Each	OS	£ 334.00	£ 451.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - 50+ dwellinghouses	OS	£ 16,525.00	£ 22,309.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - Each additional dwellinghouse in excess of 50	OS	£ 100.00	£ 135.00
Planning	Prior Approval (under Permitted Development rights) - Construction of new dwellinghouses - Maximum fee	OS	£ 300,000.00	£ 405,000.00
Planning	Reserved Matters - Approval of reserved matters following outline approval - Full application fee to be paid**	OS	TBC	TBC
Planning	Reserved Matters - If full fee is already paid	OS	£ 462.00	£ 578.00
Planning	Reserved Matters - Removal/Variation/Approval/Discharge of condition - Following grant of planning permission	OS	£ 234.00	£ 293.00
Planning	Reserved Matters - Discharge of condition(s) - Approval of details and/or confirmation that one or more planning conditions have been complied with - Householder permissions	OS	£ 34.00	£ 43.00
Planning	Reserved Matters - Discharge of condition(s) - Approval of details and/or confirmation that one or more planning conditions have been complied with - All other permissions	OS	£ 116.00	£ 145.00
Planning	Advertising - Relating to the business on the premises -	OS	£ 132.00	£ 165.00
Planning	Advertising - Advance signs which are not situated on or visible from the site, directing the public to a business -	OS	£ 132.00	£ 165.00
Planning	Advertising - Other advertisements -	OS	£ 462.00	£ 578.00
Planning	Non-material Amendment Following a Grant of Planning Permission - Householder developments -	OS	£ 34.00	£ 43.00
Planning	Non-material Amendment Following a Grant of Planning Permission - Any other development -	OS	£ 234.00	£ 293.00
Planning	Permission in Principle - Site area - Each 0.1 hectare or part thereof	OS	£ 402.00	£ 503.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Any Part 1 reduced fee activity (other than those in items II and vehicle refinishers)	OS	£ 155.00	£ 155.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - PVR I and PVR II activities carried on at the same service station	OS	£ 257.00	£ 257.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Vehicle refinishers(b), any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity	OS	£ 362.00	£ 362.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Any other Part B activity or any other solvent emission activity	OS	£ 1,650.00	£ 1,650.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Application fee for grant of a permit for mobile plant 1-2 permits each	OS	£ 1,650.00	£ 1,650.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Application fee for grant of a permit for mobile plant 3-7 permits each	OS	£ 985.00	£ 985.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Application fee for grant of a permit for mobile plant 8+ permits each	OS	£ 498.00	£ 498.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Additional fees for a late application and where a regulation 33 direction is issued In the case of an application for a permit authorising any reduced fee activity;	OS	£ 71.00	£ 71.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Additional fees for a late application and where a regulation 33 direction is issued In the case of an application for a permit authorising any other Part B activity or any other solvent emission activity;	OS	£ 1,188.00	£ 1,188.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Additional fees for a late application and where a regulation 33 direction is issued Where an operator has been operating mobile plant in contravention of regulation 12, in addition to the fee payable in article 6 the operator must pay	OS	£ 1,188.00	£ 1,188.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Variation of a permit In the case of a permit authorising any reduced fee activity;	OS	£ 102.00	£ 102.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Variation of a permit. In the case of a permit authorising any other Part B activity or any other solvent emission activity.	OS	£ 1,050.00	£ 1,050.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Transfer of a permit authorising a reduced fee activity Partial transfer (No fee payable for a total transfer)	OS	£ 47.00	£ 47.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Transfer of a permit authorising any other Part B activity or any other solvent emission activity Partial transfer	OS	£ 497.00	£ 497.00
Environmental Health*	Environmental Permitting/ Prescribed Processes Application Fees - Transfer of a permit authorising any other Part B activity or any other solvent emission activity Total transfer	OS	£ 169.00	£ 169.00
Environmental Health	Annual Subsistence Charges - Any Part 1 reduced fee activity (other than those in items II & vehicle refinishers) Low Risk	OS	£ 79.00	£ 79.00
Environmental Health	Annual Subsistence Charges - Any Part 1 reduced fee activity (other than those in items II & vehicle refinishers) Medium Risk	OS	£ 158.00	£ 158.00

Price List of Statutory Fees

Appendix A (Cont)

Service	Further information	VAT Category	Charges for 2023/24 with VAT if applicable	Charges for 2024/25 with VAT if applicable
Environmental Health	Annual Subsistence Charges - Any Part 1 reduced fee activity (other than those in items II & vehicle refinishers) High Risk	OS	£ 237.00	£ 237.00
Environmental Health	Annual Subsistence Charges - PVR I & II activities carried on at same service station Low Risk	OS	£ 113.00	£ 113.00
Environmental Health	Annual Subsistence Charges - PVR I & II activities carried on at same service station Medium Risk	OS	£ 226.00	£ 226.00
Environmental Health	Annual Subsistence Charges - PVR I & II activities carried on at same service station High Risk	OS	£ 341.00	£ 341.00
Environmental Health	Annual Subsistence Charges - Vehicle refinishers , any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity Low Risk	OS	£ 228.00	£ 228.00
Environmental Health	Annual Subsistence Charges - Vehicle refinishers , any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity Medium Risk	OS	£ 365.00	£ 365.00
Environmental Health	Annual Subsistence Charges - Vehicle refinishers , any Part 2 reduced fee activity, any Part 3 reduced fee activity or any Part 4 reduced fee activity High Risk	OS	£ 548.00	£ 548.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity Low Risk	OS	£ 772.00	£ 772.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity Medium Risk	OS	£ 1,161.00	£ 1,161.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity High Risk	OS	£ 1,747.00	£ 1,747.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 1-2 Permits each Low Risk	OS	£ 626.00	£ 626.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity Medium Risk	OS	£ 1,034.00	£ 1,034.00
Environmental Health	Annual Subsistence Charges - Any other Part B activity or any other solvent emission activity High Risk	OS	£ 1,551.00	£ 1,551.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 3-7 Permits each Low Risk	OS	£ 385.00	£ 385.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 3-7 Permits each Medium Risk	OS	£ 617.00	£ 617.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 3-7 Permits each High Risk	OS	£ 924.00	£ 924.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 8+ Permits each Low Risk	OS	£ 198.00	£ 198.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 8+ Permits each Medium Risk	OS	£ 314.00	£ 314.00
Environmental Health	Annual Subsistence Charges - Mobile Plant 8+ Permits each High Risk	OS	£ 473.00	£ 473.00
Environmental Health	Skin piercing Registration - Ear piercing with a hygienic piercing instrument Initial Registration fee (including one practitioner)	OS	£ 148.00	£ 152.00
Environmental Health	Food Hygiene - Unsaleable Food certificate 2 Hours minimum charge	ST	£ 193.00	£ 193.00
Environmental Health	Food Hygiene - Unsaleable Food certificate Per hour or part of thereafter	ST	£ 67.00	£ 67.00
Environmental Health	Food Hygiene - Voluntary surrender certificate 2 Hours minimum charge	ST	£ 193.00	£ 193.00
Environmental Health	Food Hygiene - Voluntary surrender certificate Per hour or part of thereafter	ST	£ 67.00	£ 67.00
Environmental Health	Private Water Supplies set fees. - Risk Assessment. Statutory maximum	OS	£ 500.00	£ 500.00
Environmental Health	Private Water Supplies set fees. - Sampling Visit. Per visit	OS	£ 35.00	£ 53.00
Environmental Health	Private Water Supplies set fees. - Sampling Visit. Statutory maximum	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Investigation (of failure). Per Hour	OS	£ 35.00	£ 53.00
Environmental Health	Private Water Supplies set fees. - Investigation (of failure). Statutory maximum	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Granting an authorisation (each authorisation). Statutory maximum	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Analysis of sample taken from small domestic supply.	OS	£ 25.00	£ 25.00
Environmental Health	Private Water Supplies set fees. - Analysis of sample taken by way of check monitoring from large or commercial supply.	OS	£ 100.00	£ 100.00
Environmental Health	Private Water Supplies set fees. - Analysis of sample taken by way of audit monitoring from large commercial supply.	OS	£ 500.00	£ 500.00
* Charging structure has been revised for 2024/25 so no direct comparison available				

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RISKS AND ASSUMPTIONS FOR BUDGET 2024/25

Finance and Investment Advisory Committee – 11 January 2024

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

Status: For Consideration

Key Decision: no

Executive Summary: This report sets out the financial risks and assumptions included within the 10-year budget process.

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

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Alan Mitchell, Ext.7483

Adrian Rowbotham Ext. 7153

Recommendation to Finance and Investment Advisory Committee:

Members views are requested on the risks and assumptions included in the attached appendices.

Introduction and Background

- 1 The reports presented as part of the 2024/25 Budget Setting Process have provided information on the key assumptions and risks included within the draft budget proposals. This risk assessment report provides more detail on these assumptions and risks.
- 2 The risk assessment is included at Appendix A. The 10-year budget can be found in the 'Budget 2024/25: Service Dashboards and Service Change Impact Assessments (SCIAs)' report what was presented to the September FIAC meeting.

Key Financial Assumptions

- 3 The financial assumptions currently included in the 10-year budget are as follows but will continue to be reviewed during the budget process:

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- Government Support: no Revenue Support Grant or New Homes Bonus in all years.
- Council Tax: 3% in 2024/25 and 2% from 2024/25.
- Business Rates: 'Baseline Funding Level' in 24/25-25/26 then 'Safety Net Threshold' plus 2% per year. Also 'Updated safety net and under indexing compensation' until 25/26 when a Business Rates reset may take place. Business Rates Retention Pool income is included for 24/25 only.
- Interest Receipts: £532,000 for 2024/25 to 2026/27 and then £432,000 for later years.
- Pay Costs: 4.0% for 2024/25 and 2.0% in all later years.
- Non-pay costs: 2.25% in all years.
- Income: 2.5% in all years

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal 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

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.

Conclusions

The financial assumptions are based on the latest available information, but Members should be aware that these may change. Any changes will be included in later budget reports.

Appendices

Appendix A – Risk Register 2024/25

Background Papers

none

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading

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Financial Risks Budget 2024/25

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

Likelihood	Very Likely (5)	13	10			
	Likely (4)			11		
	Possible (3)	5	7	12, 14	1, 3	
	Unlikely (2)		4			
	Very Unlikely (1)			2		8
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
Impact						

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- No matrix score for risk 6, 9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
1) Pay Costs <ul style="list-style-type: none"> Largest single item of cost. Complex drivers across the organisation. Staff recruitment and retention. 2023/24 National Pay Award was £1,925 (5.8%) and the level of future pay awards remains uncertain. 	<ul style="list-style-type: none"> £19.4m total costs. 3% pay increase = £540k. Budget assumptions: 4% pay award in 24/25 and 2% in all other years. 	4	4	16	<ul style="list-style-type: none"> New salary bands introduced from 1 April 2019 which reduced the costs of annual increments. Updated policies on formal sickness & overtime monitoring. Separate control on agency staff. Part of National Agreement. 	3	4	12	3	4	12
2) Pensions Funding <ul style="list-style-type: none"> Deficit on County Fund. Future actuarial results. Government review. 	<ul style="list-style-type: none"> £8.78m deficit (March 22) 1% change in employers' contribution = £100k 	2	4	8	<ul style="list-style-type: none"> £50k included in 2026/27 to contribute towards any additional pensions costs when the next valuation takes place. 	1	3	3	1	3	3
3) Income - Development Management, Building	<ul style="list-style-type: none"> £6.31m loss 	4	4	16		3	4	12	3	4	12

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
<u>Control, Car Parks & On-Street Parking</u> <ul style="list-style-type: none"> • Volatile activity levels and economic conditions which then effect other markers, such as housing. • Competition from commercial organisations • Central government directives • Legislative constraints 	<ul style="list-style-type: none"> • 10% reduction would be £631k 				<ul style="list-style-type: none"> • Annual review of all fees & charges as part of the budget process. • Current year income is above target. • Financial monitoring and reports. • Car parking Budgets are increased by at least 5% to return to pre-COVID levels. 						
<u>Partnership working and partner contributions.</u> <ul style="list-style-type: none"> • Partnerships not meeting agreed targets. • Agreed funding not received by SDC. • Partnerships ending. 	<ul style="list-style-type: none"> • £1.2m • Impact on individual projects is high. 	3	2	6	<ul style="list-style-type: none"> • Separate accounting arrangements. • Active liaison with partners on service arrangements. • Written partnership agreements. Partnership arrangements are monitored to ensure they are still appropriate. 	2	2	4	2	2	4

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
5) External Funding Awards <ul style="list-style-type: none"> In the 24/25 budget 21.93 FTE are externally funded 	<ul style="list-style-type: none"> £1.0m cost funded Impact on individual projects is high 	3	2	6	<ul style="list-style-type: none"> Exit Strategies in place. 	3	1	3	3	1	3
6) Changes in service demand <ul style="list-style-type: none"> Impacts will vary depending on service. 	<ul style="list-style-type: none"> N/A 	-	-	-	<ul style="list-style-type: none"> Service planning in place Continue to lobby Government where changes are due to new Gov't requirements. 	-	-	-	-	-	-
7) Interest Rates <ul style="list-style-type: none"> Large cash variance from small rate changes. Reducing availability of suitable counter parties 	<ul style="list-style-type: none"> Up to £0.532m 24/25 budget £167k per 1.0%. 	4	2	8	<ul style="list-style-type: none"> Use of professional advisers. Internal borrowing used for capital investment projects reduces the balances available to invest which in turn less bank interest earned. 	3	2	6	3	2	6

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
					<ul style="list-style-type: none"> Implementation of new investment vehicles to maximise returns. 						
8) <u>Investments</u> <ul style="list-style-type: none"> Financial institutions going into administration. Lower balances to invest. Capital reduction on initial investment 	<ul style="list-style-type: none"> £12m invested at Nov 2023 £5m in Multi-Asset Income Funds (MAIF) 	2	5	10	<ul style="list-style-type: none"> Investment strategy regularly reviewed by FIAC. Use of professional advisers. Regular reporting in line with CIPFA guidance. 5 year investment to mitigate peaks & troughs. 	1	5	5	1	5	5
9) <u>Government Support: Revenue Support Grant</u>	£0 since 2021/22 revenue budget	-	-	-	<ul style="list-style-type: none"> Excluded grant from budget from 16/17 onwards so SDC became self-sufficient from govt. funding. Adequate level of General Reserve held. 	-	-	-	-	-	-

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
10) Government Support: <u>Retained Business Rates</u> <ul style="list-style-type: none"> Government changing baseline and therefore safety net levels. Time delays in decisions on appeals. High volume of successful valuation appeals. Central government intends to introduce business rate review but timeline uncertain. 	<ul style="list-style-type: none"> £2.9m in 2024/25 £29k per 1% change 	5	4	20	<ul style="list-style-type: none"> 10-year budget strategy gives ability to gradually adjust for changes. Adequate level of General Reserve held. 	5	2	10	5	2	10
11) Council tax Referendum limits <ul style="list-style-type: none"> Council tax increases limited budgeted at 2.99% per the Provisional Settlement. 	<ul style="list-style-type: none"> £12.8m Council Tax income in 24/25 £128k per 1% Government controls on changes in council tax rates 	4	4	16	<ul style="list-style-type: none"> Draft 10-year budget includes council tax increase assumptions for future years. 	4	3	12	4	3	12

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - Failure to deliver a balanced budget. Lead Officer: Adrian Rowbotham & Alan Mitchell											
12) <u>Future Service Changes by Government</u> <ul style="list-style-type: none"> Additional services without consequent resources, e.g. previous examples include Maint. of trees on common land. Government directives on income charging e.g. Land Charges personal searches. Potential changes on health responsibilities. 	<ul style="list-style-type: none"> N/A 	4	4	16	<ul style="list-style-type: none"> Monitor proposals. Respond to consultations with local view. 	3	3	9	3	3	9
13) <u>Utility costs incl. Direct Services</u> <ul style="list-style-type: none"> Changes in global oil, gas and electricity prices. 	<ul style="list-style-type: none"> 10% increase would be £75k 	5	2	10	<ul style="list-style-type: none"> Negotiate best possible terms in contractual agreements. Continue to monitor fuel usage and efficiency. Vehicle replacement programme. 	5	1	5	5	1	5
14) <u>Capital Programme</u>		4	3	12		3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Likelihood	Gross Impact	Gross Rating	Internal Controls	Net Likelihood	Net Impact	Net Rating	Target Likelihood	Target Impact	Target Rating
SR01: Finance - <i>Failure to deliver a balanced budget.</i> Lead Officer: Adrian Rowbotham & Alan Mitchell											
<ul style="list-style-type: none"> Delivering viable scheme within budget Funding the capital programme 	<ul style="list-style-type: none"> Schemes are no longer viable due to construction costs. Capital schemes are not undertaken. 				<ul style="list-style-type: none"> Extensive due diligence. Funding identified before scheme commences. Risk register for all major capital schemes. 3 year rolling programme approved each year 						

Finance and Investment Advisory Committee 2023/24 Work Plan (as at 18/12/2023)

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

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