

Sevenoaks District

Financial Strategy

2009-13



Our vision

To lead the whole community in meeting its needs; and to work in partnership to improve the quality of life within the District

Strategic priorities

Balanced communities Tackling the need for a range of housing within the District and building community cohesion.

The Sustainable Community Plan Allowing the community priorities to be at the heart of the District Council.

The Local Development Framework The Sustainable Community Plan objectives in a spatial form.

A Sustainable budget Understanding the burden of Council Tax and providing top quality services that the public want at a price they can afford.

We are always interested in ways to improve our Strategy, and the way we present our financial information, and would welcome your suggestions

Contact us

Financial Services
Sevenoaks District Council
Argyle Road
Sevenoaks
Kent TN13 1HG

01732 227000
finance@sevenoaks.gov.uk

Publication details

Purpose of the Strategy

To inform Sevenoaks District residents and stakeholders of the Council's financial performance and plans for 2009-13

Publication date

September 2009

	Page
Foreword	1
Summary	2
Our finances	
■ Where the money comes from	3
■ How the money is spent	4
■ Looking back	4
■ How our plans work together	5
Managing our money	
■ Our Strategy	6
■ Objectives, assumptions and risks	7
■ Budget strategy and process	8
■ Budget monitoring	9
■ Other key financial policies	9
Managing our business	
■ Control framework and assurance	10
■ Our performance	10
■ Value for Money, savings and efficiency	11
■ Our partners	12
■ Risk Management	13
Managing our resources	
■ Performance Management	14
■ Managing people	14
■ Making IT happen together	15
■ Capital investment and Asset Management	15
■ Our environmental footprint	16
Annex 1	
Four-year Financial Plan	18
Glossary	21



Cllr Brian Ramsay
**Cabinet Member and
Portfolio holder for
Value for Money**



Dr Pav Ramewal
**Deputy Chief
Executive and
Corporate Resources
Director**

Welcome to Sevenoaks District Council's medium term Financial Strategy 2009-13 which provides details of the 2009-10 budget and sets out the key financial policies, risks and assumptions which are shaping our approach for the next four years and further into the future.

The Council continues to be recognised for its sound financial management and providing good value services. We have been awarded the top score under the Audit Commission's Use of Resources test. In 2007 we were formally recognised as an Excellent Council under the Comprehensive Performance Assessment and in June 2008 we were nominated in the 'Best Use of Resources' category of the Municipal Journal Awards.

In March 2008 our financial management skills were recognised and we were awarded the Local Government Chronicle (LGC) Finance Award. The award was for the best Council that could demonstrate tight fiscal controls, good innovation and used of IT and team development leading to increased efficiency. The judges said they were impressed by Sevenoaks District Council's transformation which they felt represented "a true three-year journey to excellence."



Purpose

This Strategy aims to:

- support our vision and priorities
- set out the Council's future financial prospects, with the four-year Financial Plan as an integral part
- ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting
- assist the Council's strategic planning and policy making
- demonstrate stewardship of community resources
- provide details of our key financial policies

This has enabled the Council to focus on delivering high quality services based on Members' priorities and consultation with residents and stakeholders through the Community Plan. In financial terms it has allowed the Council to move away from its reliance on general fund reserves to the tune of around £2 million a year, which has ensured that the general fund reserves have remained largely unchanged.

Key financial objectives

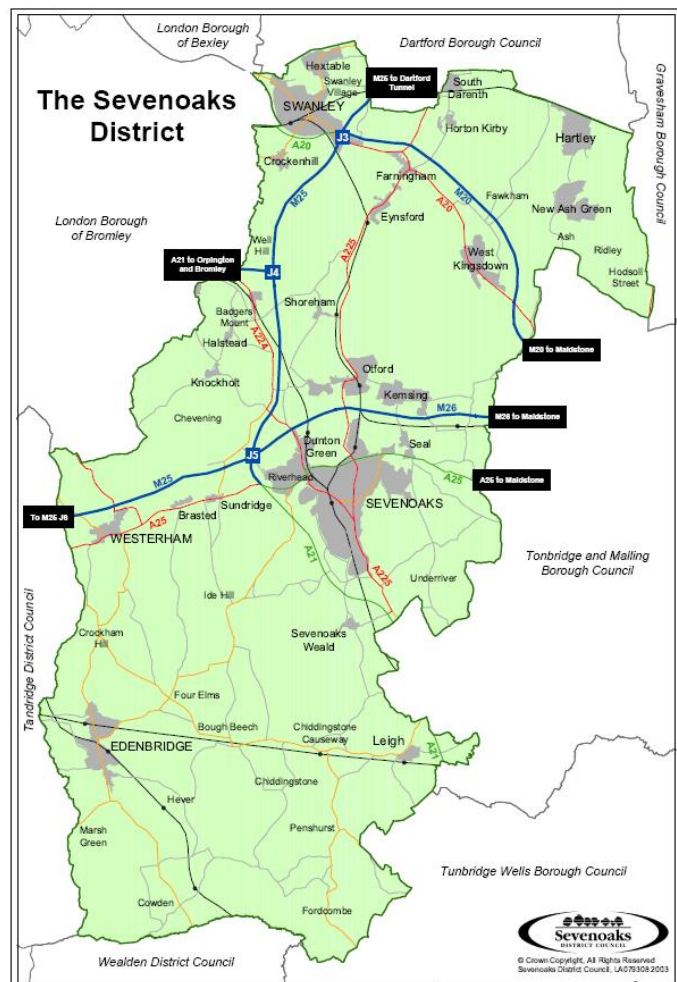
The Council will:

- ensure a minimum General Fund Reserve level of 10% of net service expenditure is maintained
- secure a sound financial base for the District, and in particular reduce the Council's reliance on reserves
- reduce its reliance on capital and earmarked reserve interest receipts to support revenue expenditure
- continually review services to deliver them in a "value-for-money" way

Contribution to delivering the Council's objectives

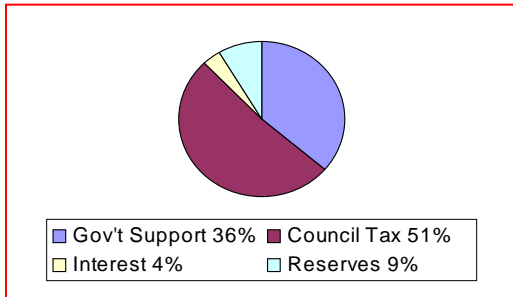
As a result of its Financial Strategy, the Council has been successful over the past four years in increasing financial sustainability and in releasing resources for high priority services through:

- improved value for money; and
- the movement of resources away from low priority services.



This section explains how Sevenoaks District Council raises its income and where we spend money.

Where the money comes from



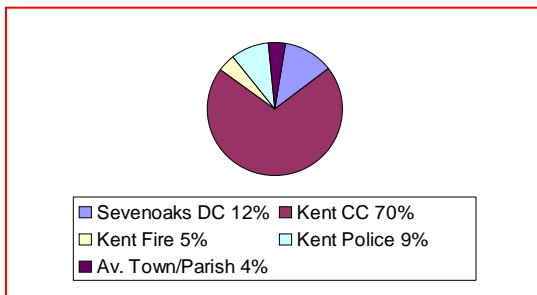
Council Tax collection

Sevenoaks District Council collects the Council Tax charge, on behalf of Government, not only for itself but also for Kent County Council, Kent Fire & Rescue Service, Kent Police and all the local town and parish councils.

Each authority sets its own charge that contributes to the total. In 2009-10 the total average charge, at band D, for all these authorities is £1,466.04.

Sevenoaks District Council's part of the charge is £176.76, 12% of the total. Sevenoaks' Council Tax has increased by 4.97% in 2009-10.

Council Tax raises about £8.8million for the Council.



Government funding

Of all the 12 district councils in Kent, Sevenoaks District Council receives the lowest grant from Government per head of population.

For 2009-10 Sevenoaks District Council gets £55.87 per head of population. The Kent average is £78.62 and the highest grant is £99.68.

Government support provides about £6.3million to Sevenoaks District Council.

Government grant has increased by 0.5%, but there is no guarantee of the funding level in future years.

Reserves

The Council currently has about £20million in the bank and has been debt-free for many years. However, only £3.7million of this (the General Fund) could be used to help balance the budget, which would be quickly used up unless the Council's element of Council Tax is increased or spending is reduced.

Most of the reserves are earmarked, or set-aside, for particular purposes. £5.1million is set aside to maintain the Council's buildings, and computer systems (the Asset Maintenance Reserve) – this is not sustainable in the longer term (10 years plus). A further £4.5million is allocated for a shortfall in the Council's part of the pension fund and this Pension Deficit Reserve will be fully used by 2013 requiring an extra £1.2m to be drawn from revenue after that date. £2.4million is for specific provisions and £0.4million is money from asset sales which cannot be spent on the running cost of services.

Reserves as at 31 March 2009:

Pension	£4.5m
Asset maintenance	£5.1m
General fund	£3.7m
Other earmarked	£3.6m
Provisions	£2.4m
Capital receipts	£0.4m
Total	£19.7m

How the money is spent

In 2009-10 the Council will spend about £17.3million on services for local people.

Service	2009-10
Community and housing	£2.7m
Refuse collection and recycling	£2.3m
Environmental services and licensing	£1.4m
Housing benefits	£0.7m
Leisure services	£0.9m
Street cleaning	£1.4m
Parking and transport services	- £0.6m
Planning services	£3.1m
Other services*	£4.7m
Asset maintenance	£0.7m
Total	£17.3m

* Other services includes Local Tax collection, Members' Allowances, Pension Deficit Contribution and Corporate Management

Looking back

The Council's financial strategy over the past four years has been successful in increasing financial sustainability and in releasing resources for high priority areas through:

- improved value for money; and

- the movement of resources away from low priority services.

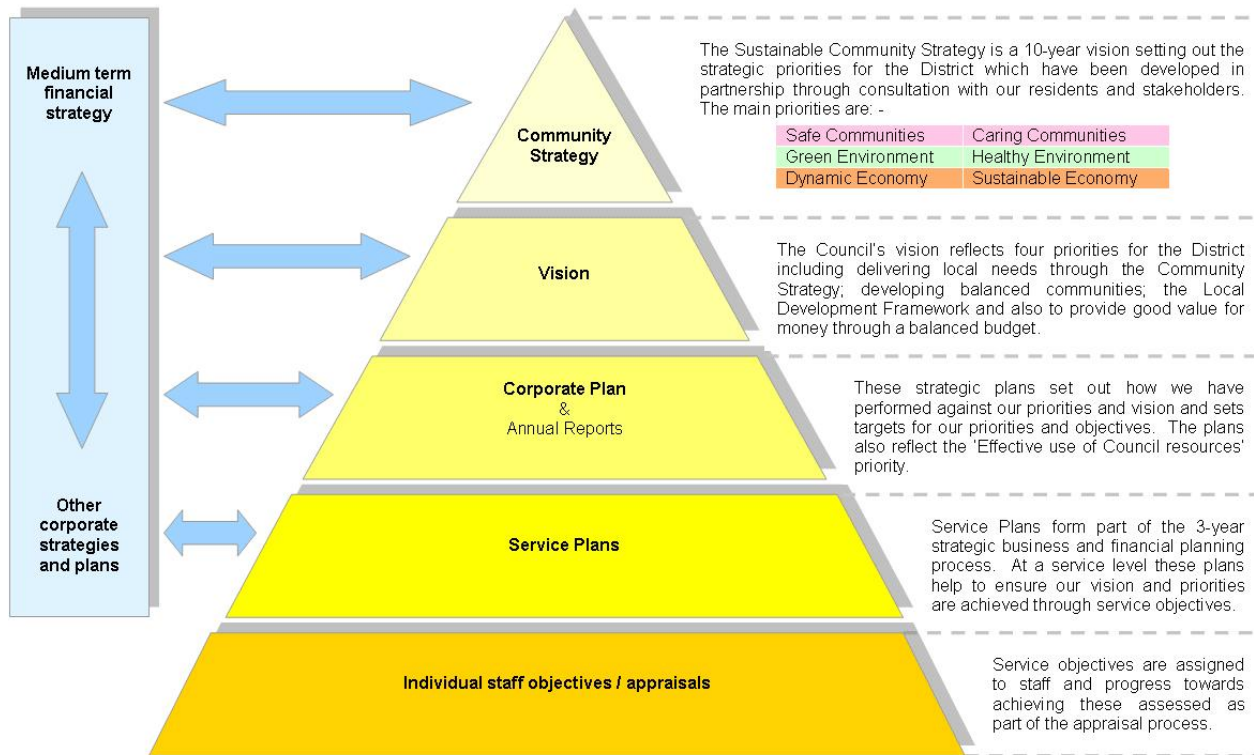
This has enabled the Council to focus on delivering high quality services based on Members' priorities and consultation with residents and stakeholders through the Community Plan. In financial terms it has allowed the Council to move away from its reliance on general fund reserves to the tune of around £2 million a year, which has ensured that the general fund reserves have remained largely unchanged.

As part of the strategic business and budget planning process for 2008/12, the Council reviewed its financial position including prospects for the future, and agreed a four-year savings plan starting in April 2008. The Plan will deliver almost £2 million of savings over this period, with the majority of savings to be delivered in the first year. The savings plan was matched by a four-year Financial Plan, which set out how the Council would achieve its aim of a balanced budget over that period, including inflation assumptions.

More information is available from our website at www.sevenoaks.gov.uk, including our Statement of Accounts and summary.



How our plans work together



The medium term **financial strategy 2009-13** enables the Council to deliver its corporate objectives by setting out the financial framework within which the Council's vision is delivered. Its key financial objectives provide the Council with the financial stability required to develop long term plans with its partners.

The **Financial Plan** within this Strategy takes into account the financial implications of actions agreed by the Council to deliver its vision. It is informed by the Service and Performance Plans, which set out, for each service, how the Council's priorities will be delivered, including the financial and performance implications.

The Council's **IT Strategy** sets out how we will use information technology to support the achievement of the Council's priorities. The financial implications included in that Strategy are reflected in the Financial Plan.

Similarly, the **Workforce Development Plan** sets out how the Council makes sure it has the best workforce to deliver its priorities. The financial implications of that Plan, such as employee terms and conditions and the Recruitment & Retention Policy, are also taken into account in the Financial Plan.

Our Strategy

Sevenoaks District Council developed its first medium term Financial Strategy in 2005. The Strategy is reviewed, updated and rolled forward each year. Our Financial Plan coincides with this Strategy and is managed in the same way.

The Strategy for 2009-13 is updated to include the 2009-10 budget and sets out the key financial policies, risks and assumptions for the next four years, and into the future.

Although Council finance can be complex, Sevenoaks District Council is keen to help keep stakeholders informed about how we manage money.

Purpose

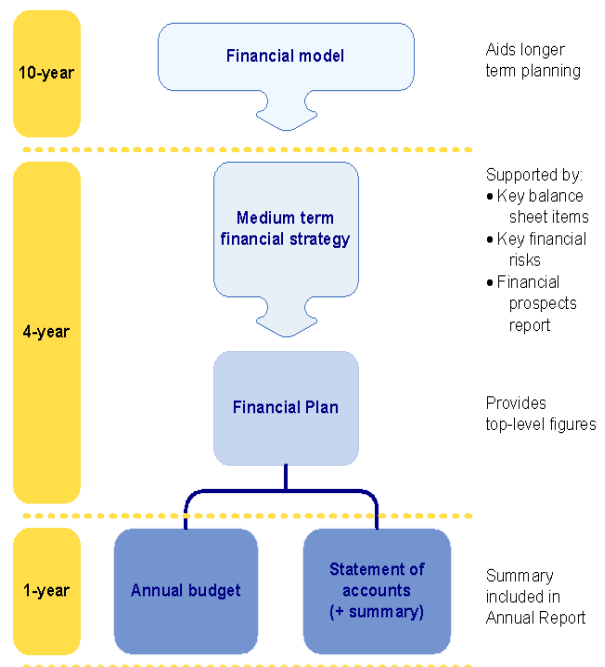
The Strategy aims to:

- support our vision, aims and priorities
- set out the Council's future financial prospects, with the four-year Financial Plan as an integral part
- assist the Council's strategic planning and policy making
- ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting
- demonstrate stewardship of community resources
- provide details of our key financial policies

Timing

The Strategy relates to current and future years. The Council has detailed budgets for revenue expenditure for 2009-10 and for capital investment for four years to 2012-13. It also has a summary level four-year Financial Plan to 2012-13, together with a linked Key Balance Sheet Items Plan, again to 2013.

A 10-year financial model has been developed to aid longer term planning. This allows for the financial strategy to be tested for sensitivity and for issues and developments with financial impacts to be managed. As with all prediction tools, the level of accuracy and precision reduces in years beyond 2009/10.



Managing the Strategy

The following processes are in place to manage the strategy:

- The Strategy will be produced for our stakeholders with their involvement. The Strategy aims to be clear and easily understood
- The Strategy will be reviewed annually as part of the budget and four-year financial planning process, to update it and to assess the contribution it makes to the achievement of the Council's priorities
- Achievement of savings will be monitored in addition to normal financial monitoring
- Growth items and service pressures will be dealt with separately as part of the budget planning process
- Flexibility between budgets and between years (carry forwards) is built in, through the Council's Finance Procedure Rules



Objectives, assumptions and risks

Key financial objectives

The Council will:

- ensure a minimum General Fund Reserve level of 10% of net revenue expenditure is maintained
- secure a sound financial base for the District, and in particular reduce the Council's reliance on reserves
- reduce its reliance on interest receipts to support revenue expenditure
- continually review services to deliver them in a "value-for-money" way

In the context of these overall objectives, the Council:

- continually reviews the scope and level of services to ensure they remain relevant to statutory requirements and meet the Community Plan and other priorities through its Internal Service Inspection process
- aims to invest in priority services by diverting resources from non-priority services
- responds to new demands and pressures for services in the most cost-effective way
- applies project appraisal, business planning and affordability processes including whole life costings to any significant new developments
- considers alternative ways of delivering services, including partnership working, where appropriate
- continues to look for efficiency improvements and to review charges for services
- continues to bid for external funding, recognising that some service enhancements can only be achieved in this way
- critically examines proposals for capital investment to ensure that

resources will be spent wisely and it will seek external funding if available

- ensures service priorities are included in its Capital Investment Strategy, and that this is fully funded
- looks for best value from developers in terms of Section 106 contributions for community interest

Key assumptions

Prior to setting the budget each year the Council considers its financial position through a review of its financial prospects, this Financial Strategy and the four-year Financial Plan. The Plan is reviewed and rolled forward each year.

The Council's current assumptions are:

- continued Government constraints on the budget through reduced spending targets, cash releasing efficiency assumptions, reduced or standstill grant and Council Tax capping
- capital expenditure to be based on the presently approved programme
- no change in the capital finance rules
- liabilities arising from future improvement/renovation of Council assets will be financed from revenue reserves set aside
- the effects of inflation each year on the Council's budget will be offset by savings/income increases
- the Plan is in line with the Council's medium term goal of reducing reliance on the use of reserves.

Looking at specific major items, current assumptions are:

- pay cost inflation of 2%
- non-pay costs inflation of 2.5%
- Income increasing by 2.5%
- 1.75% return on investments (5% from 2011/12)
- Council Tax increases of 5% a year
- Government Grant increases of 0.5% in 2009/10 and 2010/11, falling to no increase from 2011/12.

Key financial risks

The key financial risks identified by the Council are:

- pay cost inflation above assumption
- energy cost inflation above assumption
- variable income sources such as Land Charges not hitting budget targets
- Concessionary fares scheme costs increasing above inflation
- Pension Fund deficit funding in the longer term
- Asset Maintenance funding in the longer term
- delivery of the high number of planned savings over the next four years
- new Government requirements without adequate funding

These risks, their possible impact on the Council and the actions in place to mitigate them are set out in more detail in the budget reports and the Financial Prospects Report.

Budget strategy and process

The Strategic Service and Budget Planning Process is reviewed and updated each year, taking into account current best practice and lessons learnt from previous years.

Its key components are:

- Clear Vision – The Council's ambitions and aspirations for the District are set out under the theses of the Community Plan which in turn has helped to inform and develop a three to five year Council vision.
- This Financial Strategy and a review of future financial prospects.
- Forecast of Resources (four-year plan plus 10-year model for revenue, capital and reserves)
- Service Prioritisation – Although the Council has a clear focus in delivering its three to five year vision, it also has a number of other balancing priorities which would need to be taken into

consideration in service prioritisation, for example, the requirement to deliver statutory services. Therefore, a robust system for service prioritisation is an essential component.

- **Budget Strategy** – This sets out the key information, approach and ground rules for the budget setting process and refers to key elements of the medium term financial strategy, the financial plan, service prioritisation and service planning, including risk issues.
- **Service Planning** – Each service area produces a four-year costed service and performance plan (SAPP)
- **Member involvement and challenge**, through consideration of options at Scrutiny Committees, review of risks by the Finance Advisory Group and approval of the overall strategy by the Performance and Governance Committee.

Prioritisation and Allocation of Resources

The Council's strategic service prioritisation process ensures resource allocation is service-driven rather than finance-led in order to:

- maintain focus on priorities
- communicate and engage with the public and partners
- align resources to priorities
- support decision-making in a difficult financial climate

Budget monitoring

All budgets are the responsibility of Heads of Service, and are managed on that basis.

Comprehensive financial monitoring information is reported monthly to Heads of Service. Service level summary reports are made to Management Team, Cabinet Members, and the Finance Advisory Group, and is available to all

Members electronically. Strategic summary information is reviewed by the Performance & Governance Committee.

The Finance Advisory Group assists both Cabinet and the Performance & Governance Committee in monitoring financial performance by identifying areas of significant financial concern. Where variations are identified through the monitoring process, actions is taken within or across services to bring overall expenditure back in line with budget, to ensure the financial plan targets are met.

Other Key Financial Policies

Investment Strategy

The Council is required to set out its treasury strategy for borrowing and to prepare an annual investment strategy. That strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. A similar requirement is contained in the Council's Finance Procedure Rules.

The strategy covers:

- Prospects for interest rates
- Economic background
- Borrowing strategy
- Investment policy
- Investment strategy
- Current treasury position
- Investment criteria
- Suggested matrices and limits

The full Strategy is approved by Council each year as part of the budget process. The decisions made by Members are then fed into the calculation of expected investment income included in the Financial Plan.

Control framework and Assurance

Section 151 Officer

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. At Sevenoaks, Dr Pav Ramewal, Deputy Chief Executive and Corporate Resources Director, is the Section 151 Officer.

The Section 151 Officer has a number of duties, these include:

- Ensuring lawfulness and financial prudence of decision-making
- Administration of financial affairs
- Contributing to corporate management
- Providing advice
- Giving financial information

As part of the annual budget process the Section 151 Officer makes a statutory statement on the robustness of the Council's budget, and the adequacy of the reserves.



Audit and inspection

The Audit Commission is an independent watchdog (sponsored by the Government) driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

The Audit Commission is charged with responsibility for conducting/arranging the external audit and inspection visits of local authorities; in order to assess their compliance with sound accounting principles including other regulatory

requirements and overall performance, and effectiveness.

The Audit Commission currently arranges for Baker Tilly, an independent firm of chartered accountants and business advisers, to conduct the necessary audits and inspections for Sevenoaks District Council.



The Council's statutory Statement of Accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and audited an external audit company, under the auspices of the Audit Commission - the Government's watchdog organisation.

Finance Advisory Group

As well as reviewing the monthly monitoring reports, this cross-party Group feeds back comments and concerns to both Executive and Scrutiny functions. It is led by the VFM Portfolio Holder and investigates identified areas of financial concern. It also reviews the Council's overall financial health using a range of financial indicators.

Our performance

The Council's Annual Audit & Inspection Letter (June 2008) confirmed:

Budget: providing value for money and sound resource management

The Council has maintained its excellent standards of value for money. The external auditor scored the Council 4 (performing strongly) for its achievement of VFM in the annual use of resources assessment. The auditor commented that there was consistency in performance and a number of areas of

very high performance. It has strong processes in place and has achieved efficiency beyond its Gershon targets.

The strategic finance function is strong, and financial planning and management are strengths.

There are no significant weaknesses in arrangements for securing continuous improvement or failures in corporate governance that would prevent improvement levels being maintained. This is confirmed by the overall score of four (excellent) for use of resources, and the excellent score specifically regarding systems of internal control.

Area of assessment	Score
Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public)	3 out of 4
Financial management (including how the financial management is integrated with strategy to support council priorities)	4 out of 4
Financial standing (including the strength of the Council's financial position)	4 out of 4
Internal control (including how effectively the Council maintains proper stewardship and control of its finances)	4 out of 4
Value for money (including an assessment of how well the Council balances the costs and quality of its services)	4 out of 4

Value for Money, savings and efficiencies

Sevenoaks District Council is committed to delivering value for money as an integral part of its corporate strategy. While it has a specific responsibility to achieve VfM from its use of public funds,

this principle extends to all sources of funding. Similarly, the responsibility for pursuing VfM lies with all staff, and not just those with financial duties.



The practical measures adopted by the Council to maintain this momentum include:

- having financial procedures and rules that encourage managers to manage their services responsibly
- having clearly defined responsible budget managers
- effective use of technology
- having financial reporting arrangements that are clear, transparent and timely, all of which promotes accountability to elected Members and the public
- ensuring that contractual terms deliver efficiency gains from contractors and Direct Services
- the role of the Value for Money Portfolio Holder

- considering alternative methods of service delivery, such as partnership working or the use of external contractors
- challenging the need to replace staff when posts become vacant
- streamlining back-office functions
- ensuring that Internal Service Inspections consider the opportunities for efficiency savings and report such opportunities to Members
- ensuring that Members and Managers are equipped and supported to make high quality financial decisions, through tailored training, effective and customer focussed financial reporting and analysis, and service specialisms within the Finance Team.
- comparing service costs with those at similar authorities, to check whether learning from other sites could lead to further efficiencies at Sevenoaks

Annual efficiency targets

The Government has set a target for the public sector to achieve cash releasing efficiency savings of 3% in 2008/09 and 2009/10, increasing to 4% in 2010/11. To meet the Government's expectations the Council would be required to make savings totalling £1.75m between 2008-11.

In 2008/09 the Council recorded total efficiency savings of £1,111,719. A total of £516,503 of new cash releasing savings were made in 2008/09. The remaining savings of £595,216 were carried forward from the previous savings period, 2004-07.

The Council has set a target of achieving savings of £640,000 between 2009-11.

Our Partners

The Council is committed to open and clear communication with all of our stakeholders. Transparency and

accountability are key strands of our approach. We will seek to consult with and involve our stakeholders; and welcome views on how we shape our services.

The Council uses:

- its website
- In Shape
- press releases
- local forums and groups
- staff meetings and
- its own democratic processes

to promote the widest possible public financial accountability.

Summarised budget and outturn information is published along with an Annual Report to ensure the highest levels of stewardship reporting.

Its budget consultation process has been reviewed, in order to promote the maximum understanding and involvement in the Council's financial affairs.



Partnership working

Sevenoaks District Council works with many partner agencies, other local authorities, the voluntary and community, business and private sectors, the faith community and the 30 town and parish councils across the District.

These links are greatly valued by the Council and contribute significantly to the provision of services and community well-being.

The Council has developed a **Partnership Toolkit** which outlines the approaches to be applied when considering both introducing new partnerships and reviewing existing arrangements. It provides a basis for examining the key issues that require consideration, to ensure that any potential problems identified in relation to partnership working are confronted, assessed, overcome and avoided in the future.



Risk Management

Sevenoaks District Council recognises that it has a responsibility to manage hazards and risks and supports a structured and focused approach to managing them by approval of the **Risk Management Strategy and Plan**.

Sevenoaks District Council is aware that some risks will always exist and will not be eliminated. However, where appropriate, actions can be taken to mitigate these risks.

The Council works hard to identify positive risks (opportunities) that could enable it to enhance the service it provides to its residents.

Performance management

Our performance management arrangements, supported by a dedicated software system, allow us to look for trends over time, compare our performance with other authorities and produce meaningful reports which can be used as a guide for community, organisational, service and individual improvements. We are also able to monitor targets to ensure they are both achievable and challenging.

In order to ensure that we can trust our data we have introduced a Data Quality Policy and identified areas we need to improve and these are set out in our Data Quality Action Plan, which is monitored on a regular basis. These arrangements are scrutinised by the Audit Commission and scored to encourage continuous improvement.

For details of our latest performance visit www.sevenoaks.gov.uk/performance

Managing people

As a **major employer**, the District Council recognises that our staff are our main asset.

We recognise that both Members and Officers are integral to achieving our vision and priorities, through working together in an open, honest and co-operative way.

We set ourselves high standards and recognise that we can only achieve these through the skill and motivation of our staff and therefore seek to make working for the Council a rewarding experience where everyone's contribution is valued.

The **Workforce Development Plan** is about ensuring that the Council, within its financial framework, has a flexible, developed and motivated workforce,



capable of delivering its priorities over the coming years, and making Sevenoaks District Council a place where all staff:

- understand and feel committed to the aims of the Council
- achieve their full potential
- treat customers, colleagues and Members with respect
- feel enabled and rewarded for what they do

To achieve this, the Strategy focuses on:

- Leadership
- Continuous improvement and learning
- Communication and involvement
- Developing a competent and motivated workforce
- Excellence in customer service
- Developing a healthy organisation

Making IT happen together

Developments in technology continue to be as rapid as always. New technologies offering scope for new ways of working and improving service present great opportunities if adopted in the right places, at the right time, for the right reasons.

Effective partnering between Technology and the rest of the Council is essential, as the only way SDC will reap the benefits is if those responsible for the delivery of services fully understand the opportunities that are available to them through the use of technology.

Any changes to systems need to be co-ordinated with the existing Council infrastructure so current SDC technology will be a key consideration in future developments. The consolidation of existing IT projects is just as important and the planning of future work.

The key objectives of this IT Strategy are:

- To support current, planned and future use of operational IT systems throughout the Council and to improve the technological environment provided for Members and Officers
- To align existing and future technical solutions with business requirements, SDC's key priorities and the Community Plan
- To ensure the most comprehensive and appropriate set of access channels to Council services are made available to all citizens
- To ensure that IT is delivering excellent services to all its customers

- To contribute directly towards the Council's Value for Money initiatives



Capital investment and Asset management

The Council is required 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 Council has agreed that any new provision for **capital schemes** must be subject to formal appraisal processes. The Council's base capital programme covers mandatory improvement grants, IT investment and commercial vehicle replacements.

Capital Programme 2009/10:	£000
Vehicle replacements	690
Housing improvement grants	377
Information technology	150
Blighs Phase 2	100
Licensing Partnership	54
Playground improvements	17
Total	1,388

The Council's housing stock was transferred to West Kent Housing Association in 1989 and therefore the **housing investment funding** allocated by the Government is directed, with the Council's agreement, through local Registered Social Landlords.

“Strategic Asset Management is the activity that seeks to align the asset base with the organisation’s corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimately structured in the best corporate interest on the organisation concerned”

RICS Public Sector Asset Management Guidelines 2008

The Council reviews all its property holdings continuously, with a view to reducing the amount of surplus property, and promotes the transfer of local amenity land to the local town and parish councils if it is considered that that would provide more effective local management.

The Council works with social housing providers to, wherever possible, provide land to enable all ranges of social housing to be constructed especially in rural areas.

Earmarked funding has been set aside for future **asset maintenance** costs in the medium term. Also a sustainable renewal fund is in place for the Council’s commercial vehicle fleet.

The Asset Maintenance Action Plan and the 10-year asset maintenance assessments ensure that asset use and capital investment decisions are in line with key priorities and achieve value for money.

Asset Management is a major area of expenditure on the Council’s assets. The largest part of this expenditure is made in conjunction with partners, particularly Sencio Leisure, and is used in a way that gives service improvements alongside essential maintenance.

No assumptions are made in the current four-year Financial Plan about the finances of the Blighs Phase 2 development, which is currently under discussion.

Our environmental footprint



We are committed to improving our environmental performance and reducing the environmental impact of our work.

The Council, along with its partners and the local community, made a commitment to tackle **climate change** by signing up to the Nottingham Declaration on Climate Change (NDCC) in October 2007. Working with all sectors and industries in the local community the Council will aim to reduce energy use and congestion, improving the local environment and tackling fuel poverty.

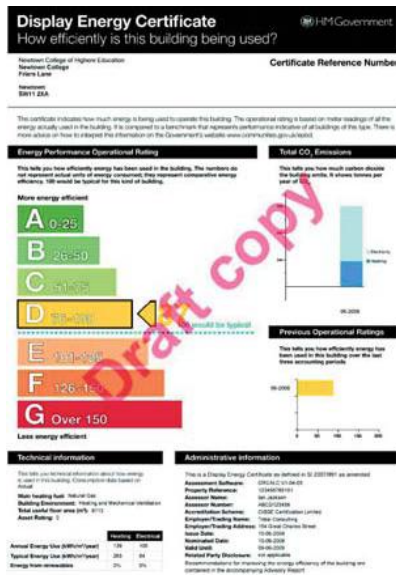
The Council aims to reduce its **carbon emissions** in line with Government targets.

Reductions in carbon use will be achieved by reducing travel, increasing the energy efficiency of our buildings and plant, reducing waste and increasing sustainable procurement. The focus will be on direct reductions in carbon emissions, as soon as possible, rather than a reliance on indirect carbon offsetting to achieve carbon neutrality.

Display Energy Certificate (DEC)

From October 2008, the Council, as public sector occupiers of buildings over 1,000m², will need to display Display Energy Certificates (DECs) in prominent places, clearly visible to the public - as part of the Energy Performance of Buildings (EPBD) (Certificates and Inspections) (England and Wales) Regulations 2007.

A Display Energy Certificate shows the energy performance of a building based on the actual energy consumption as recorded annually.



cardboard, plastic, cans and printer cartridges.



Energy and water

We measure our energy and water consumption – more information is available from our Annual Report.

Our vehicle fleet uses sulphur-free diesel and new vehicles purchased comply with the latest European standards for engine efficiency and reductions in pollution. Fuel use per vehicle is monitored, to identify potential for further efficiencies.

Waste

Currently, we do not measure the amount of waste we generate at our office and depot. However we do recycle a significant proportion of our waste paper,

Financial Plan 2008-09 to 2012-13

Item		Budget	Plan	Plan	Plan	Plan
		2008/09	2009/10	2010/11	2011/12	2012/13
		£000	£000	£000	£000	£000
	Base Budget	14,549	14,652	14,602	15,088	15,556
	Inflation Changes					
1	Pay award inflation	*2.0%	356	399	409	419
2	Pay incremental progression	1.5%	213	221	224	227
3	Other Costs	2.5%	200	205	210	215
4	Income	2.5%	-199	-204	-209	-214
5	Total Inflation changes		570	621	634	647
6	Growth and compensating items		558	199	-59	1
7	Savings proposals		-1,025	-870	-89	-180
8	NET MOVEMENT		103	-50	486	468
9	Sub total		14,652	14,602	15,088	15,556
	Other Costs					
10	Collection Fund adjustment		-94	-	-	-
11	DWP grant reduction		-	34	34	-
12	Pension Fund deficit		1,846	1,927	2,012	2,101
13	Asset Maintenance		720	729	738	747
14	Net Service Expenditure excl. cap		17,124	17,292	17,872	18,404
15	Contributions to Reserves		421	448	225	246
	Non Service Income					
16	Interest Receipts		-1,081	-602	-328	-799
17	Government Support		-6,285	-6,317	-6,348	-6,348
18	Approp from Reserves		-1,809	-1,710	-1,680	-1,747
19	Council Tax	5.00%	-8,370	-8,842	-9,284	-9,748
20	Total non-service income		-17,545	-17,471	-17,640	-18,642
21	SAVINGS REQUIRED		-	-	457	8
22	General Fund Deficit/Surplus		-	269	-	-
23	General Reserve Forecast					
24	Opening Balance as at 1st April		3,689	2,089	1,820	1,820
25	Required Minimum Balance		-1,500			
26	General Fund deficit(-)/Surplus		-	-269	-	-
27						
28	Available Balance		2,089	1,820	1,820	1,820

29	Taxbase	49,706	50,021
30	Council Tax @ Band D	168.39	176.76

* Pay award inflation has been reduced from 2.5% to 2.0%, this has been offset by a reduction to the Vacancy Factor budget

Balance Sheet

	31/3/08	31/3/09	31/3/10	31/3/11	31/3/12	31/3/13
	Actual	Plan	Plan	Plan	Plan	Plan
	£000	£000	£000	£000	£000	£000
Long Term Assets						
Fixed Assets	19,443	19,229	19,015	18,801	18,587	18,373
Long-term Investments	3,060	0	0	0	0	0
Long Term Debtors	196	402	352	302	252	225
	<u>22,699</u>	<u>19,631</u>	<u>19,367</u>	<u>19,103</u>	<u>18,839</u>	<u>18,598</u>
Current Assets						
Short-term Investments	18,889	16,454	13,875	12,744	10,963	9,400
Debtors	3,358	3,358	3,358	3,358	3,358	3,358
Other	284	284	284	284	284	284
	<u>22,531</u>	<u>20,096</u>	<u>17,517</u>	<u>16,386</u>	<u>14,605</u>	<u>13,042</u>
Current Liabilities	-4,527	-4,362	-4,362	-4,362	-4,362	-4,362
Deferred Creditors	-374	-374	-374	-374	-374	-374
Provisions:						
Edenbridge Relief Road Comp	-1,503	0	0	0	0	0
Redundancies	-124	0	0	0	0	0
First Time Sewerage	-843	-124	-54	-26	0	0
	<u>-2,470</u>	<u>-124</u>	<u>-54</u>	<u>-26</u>	<u>0</u>	<u>0</u>
Grants Deferred Account	-140	-137	-134	-131	-128	-125
Pensions Liabilities	-27,660	-26,250	-24,840	-23,430	-22,020	-20,610
	<u>-27,660</u>	<u>-26,250</u>	<u>-24,840</u>	<u>-23,430</u>	<u>-22,020</u>	<u>-20,610</u>
TOTAL ASSETS LESS LIABILITIES	<u>10,059</u>	<u>8,480</u>	<u>7,120</u>	<u>7,166</u>	<u>6,560</u>	<u>6,169</u>
Deferred Capital Receipts	102	77	52	27	2	0
Capital Adjustment Account	18,513	18,302	18,091	17,880	17,669	17,458
Revaluation Reserve	790	790	790	790	790	790
Financial Inst. Adj. Account	0	0	0	0	0	0
Usable Capital Receipts Reserve	664	0	0	372	447	447
Earmarked Reserves:						
Action and Development	150	150	150	150	150	150
Asset Maintenance	5,558	5,035	4,566	4,088	3,601	3,105
Capital Financing	0	604	0	0	0	0
Carry Forward Items	257	0	0	0	0	0
Employer's Superannuation	5,581	4,492	3,511	2,569	1,569	512
Housing Benefit subsidy	947	404	354	304	254	204
Local Plan / LDF	244	244	118	173	0	0
Re-organisation	199	250	200	100	0	0
Vehicle Insurance	223	200	200	200	200	200
Vehicle Renewal	594	423	423	423	423	423
Others	233	170	185	200	155	170
	<u>13,986</u>	<u>11,972</u>	<u>9,707</u>	<u>8,207</u>	<u>6,352</u>	<u>4,764</u>
Pensions Reserve	-27,660	-26,250	-24,840	-23,430	-22,020	-20,610
General Fund Reserve	3,589	3,589	3,320	3,320	3,320	3,320
Collection Fund	75	0	0	0	0	0
	<u>-27,660</u>	<u>-26,250</u>	<u>-24,840</u>	<u>-23,430</u>	<u>-22,020</u>	<u>-20,610</u>
TOTAL NET WORTH	<u>10,059</u>	<u>8,480</u>	<u>7,120</u>	<u>7,166</u>	<u>6,560</u>	<u>6,169</u>

The figures in the above table will be updated for Council as requested by Performance & Governance Committee on 07/09/09.

Glossary of terms

Budget	A statement of the Council's plans for net revenue and capital expenditure over a specified period of time.
Capital Expenditure	The acquisition, construction, enhancement or replacement of tangible fixed assets (i.e. land, buildings, structures etc), the acquisition of investments and the making of grants, advances or other financial assistance towards expenditure by other persons on tangible fixed assets or investments.
Capital Programme	The capital projects the Council proposes to undertake over a set period of time.
Capital Receipts	Money obtained on the sale of a capital asset.
Collection Fund	The fund into which council tax and non-domestic rates are paid, and from which we meet demands by preceptors and payments to the non-domestic rates pool.
Council Tax	A local tax set by Councils to help pay for local services. There is one bill per dwelling based on its relative value compared to others in the area. There are discounts, including where only one adult lives in the dwelling. Bills will also be reduced for properties with people on low incomes, some people with disabilities and some other special cases.
Creditors	People or organisations from whom we have received goods or services and as a consequence owe money.
Debtors	People or organisations owe money to the Council.
Deferred Capital Receipts	Capital Receipts which will accrue in the future, such as mortgage repayments.
General Fund	The main revenue fund of the Council from which payments are made to provide services and into which receipts are paid, including the District Council's share of council tax income.
Government Grants	Payments by government towards either the revenue or capital cost of local authority services. These may be either in respect of particular services called specific grants, e.g. housing benefits, or in aid of local services generally, e.g. revenue support grant.
Provisions	Funds to provide for liabilities or losses which are known obligations, but are uncertain as to amounts or dates.
Reserves	The general capital and revenue balances of the Council. There are two types of reserves which might be described as either available or not available to finance expenditure. Revenue reserves which result from monies being set aside, surpluses or delayed expenditure can be spent or earmarked at the discretion of the Council. The usable capital receipts reserve is also available to the extent allowed by statute. However, other capital reserves are not available to meet expenditure, e.g. the reserves brought about by the new capital accounting system.

Sevenoaks District

Financial Strategy 2009-13

If you have any comments about this document or require further copies, please contact:

**Finance
Sevenoaks District Council
Argyle Road
Sevenoaks
Kent
TN13 1HG**

Telephone 01732 227000

E-mail finance@sevenoaks.gov.uk

**The Strategy is available on our website:
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