

Sevenoaks District Council

Financial Strategy

2012-23



Our vision

Pride in the District of Sevenoaks by working with the Community as a whole, to sustain and develop a fair, safe and thriving local community

Core values

- Fairness
- Integrity
- Quality

Five promises

1. We will provide value for money
2. We will work in partnership to keep the District of Sevenoaks safe
3. We will continue to collect rubbish efficiently and effectively
4. We will protect the Green Belt
5. We will support and develop the local economy

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

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Publication details

Purpose of the Strategy
To inform Sevenoaks District residents and stakeholders of the Council's financial performance and plans for 2012-23

Publication date
February 2013

	Page
Foreword	1
Summary	2
<hr/>	
Our finances	
■ Where the money comes from	3
■ How the money is spent	4
■ Looking back	4
■ How our plans work together	5
<hr/>	
Managing our money	
■ Our Strategy	6
■ Objectives, assumptions and risks	7
■ Budget strategy and process	9
■ Budget monitoring	10
■ Other key financial policies	10
<hr/>	
Managing our business	
■ Control framework and assurance	11
■ Our performance	11
■ Value for Money, savings and efficiency	12
■ Our partners	13
■ Risk Management	13
<hr/>	
Managing our resources	
■ Performance Management	14
■ Managing people	14
■ Making IT happen together	15
■ Capital investment and Asset Management	15
■ Our carbon footprint	16
<hr/>	
Annex 1	
Ten-year Budget	18
Glossary	20



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

Welcome to **Sevenoaks District Council's Financial Strategy 2012-23** which sets out the key financial policies, risks and assumptions which are shaping our approach for the medium and long term.

In 2011/12 the Council implemented a 10-year budget strategy in recognition of the changing economic environment and the need to have longer and more sustainable plans.

The Coalition Government continues to be faced with a significant financial and economic challenge and has started to put in place strategies to address this, with implications for all areas of the public sector. A combination of national and local factors means that District local government in general, and Sevenoaks District Council in particular, face a completely unprecedented challenge, which requires unprecedented solutions.

Between 2005/06 and 2012/13 the Council has made over £9.3m of savings but has been able to maintain the majority of services and during this period has improved performance, productivity and quality of services across the board. The Council is nationally recognised for its financial management, value for money and performance, however the sheer size of the savings required means we will continue to face some very difficult decisions.

The aim of this Strategy is to ensure that the Council's limited financial resources are used wisely and in a sustainable way, to best support residents' priorities. In order to effectively manage the very difficult financial position a number of key innovations have been introduced, and these have been incorporated into the Strategy:

- A 10-year budget;
- Flexibility between years through the use of a Budget Stabilisation Reserve;
- More effective use of earmarked reserves and capital receipts; and
- The review and tighter management of inflationary pressures.

Purpose

This Strategy aims to:

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

Key financial objectives

The Council will:

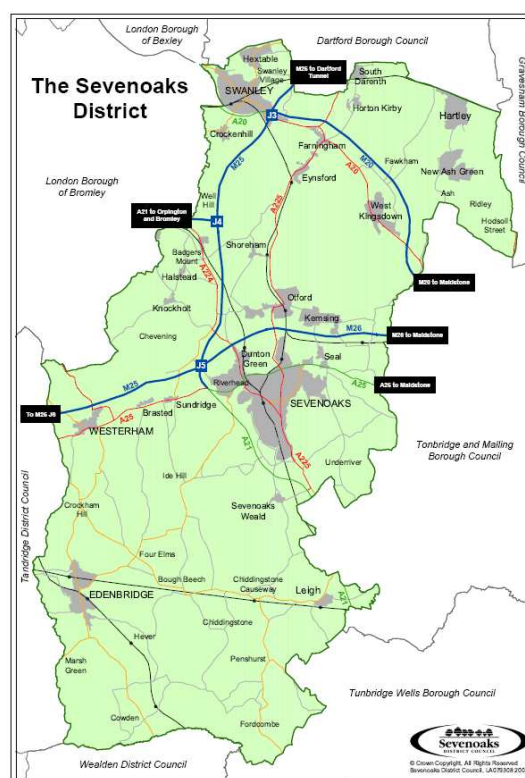
- implement a streamlined service and financial planning process
- agree a 10-year budget plan with flexibility between years, which makes effective use of earmarked reserves and capital receipts, in order to secure a sound financial base for the District
- ensure a minimum General Fund Reserve level of 10% of net service expenditure is maintained
- review and more tightly manage inflationary pressures
- 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 seven years in increasing financial sustainability and in releasing resources for high priority services through:

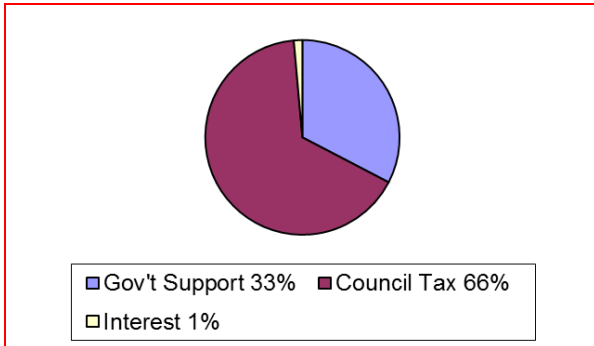
- improved value for money; and
- the movement of resources away from low priority services.

This 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.



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

Where the money comes from

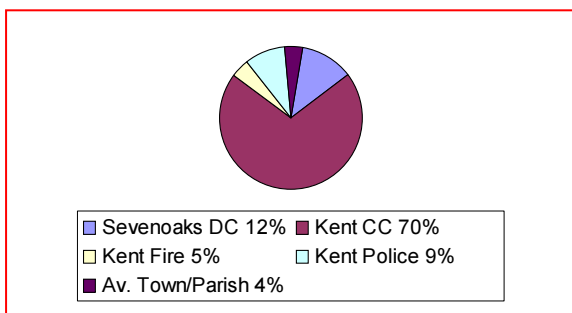


Council Tax collection

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 2012-13 the total average charge, at band D, for all these authorities is £1,503.19. Sevenoaks District Council's part of the charge is £181.89, 12% of the total. Sevenoaks' Council Tax did not increase in 2012-13.

Council Tax raises about £9.3million for the Council.



Government funding

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

For 2012-13 Sevenoaks District Council gets £36.13 per head of population. The Kent average is £52.24 and the highest grant is £69.23.

Government support provides about £4.6million to Sevenoaks District Council, a 10% reduction compared to 2011/12.

Reserves

The Council has about £22million in reserves 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. £8.6million is set aside to support the 10-year budget. £1.9million is for specific provisions and £0.8million is money from asset sales which cannot be spent on the running cost of services.

Reserves as at 1 April 2012:

10-year budget	£8.6m
General fund	£3.7m
Other earmarked	£7.5m
Provisions	£1.9m
Capital receipts	£0.8m
Total	£22.5m

How the money is spent

In 2012-13 the Council will spend about £13.4million on services for local people.

Service	2012-13
Community Development	£1.5m
Development Services	£3.4m
Environmental & Operational	£5.2m
Housing & Communications	£1.7m
Housing Benefits & Local Tax	£0.9m
Democracy	£0.9m
Other	£-0.2m
Total	£13.4m



Looking back

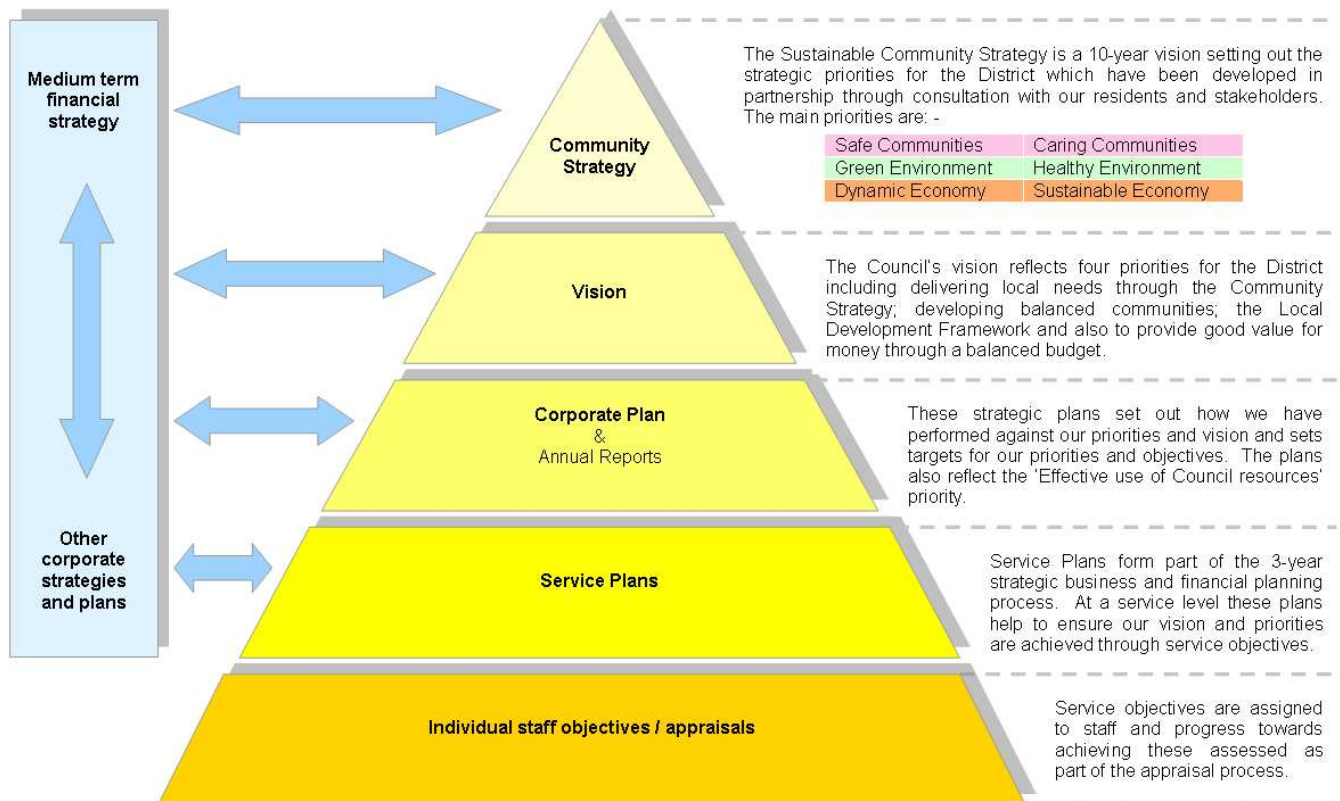
The Council's financial strategy over the past seven years has been successful in increasing financial sustainability and in releasing resources for high priority areas through:

- 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.

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

How our plans work together



The medium to long term **financial strategy 2012-23** 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 **10-Year Budget** within this Strategy takes into account the financial implications of actions agreed by the Council to deliver its vision. It informs and is informed by the Service Plans, which set out, for each service, the key service objectives, resources required and performance information.

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 10-year Budget coincides with this Strategy and is managed in the same way.

The Strategy for 2012-23 has been updated to include the 2012-13 budget and sets out the key financial policies, risks and assumptions for the next ten years.

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

Purpose

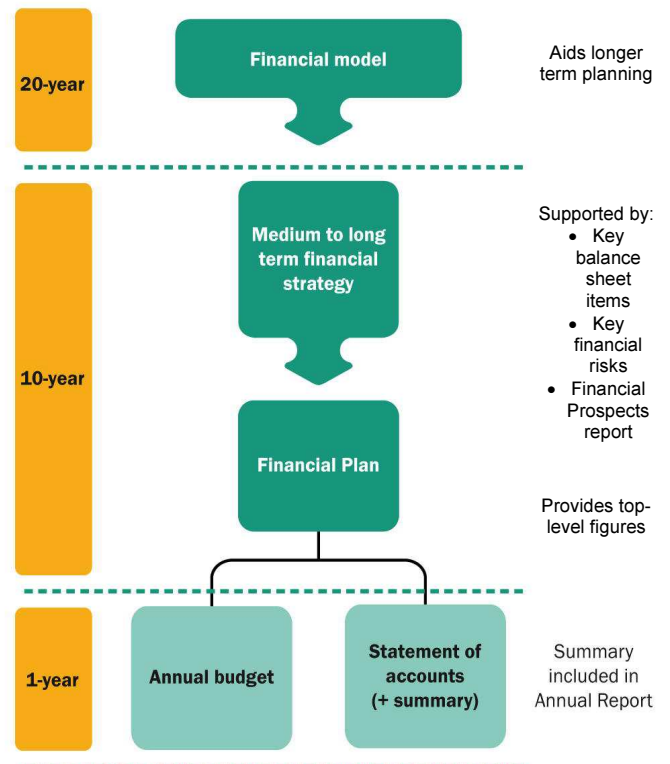
The Strategy aims to:

- support our vision, aims and priorities
- set out the Council's future financial prospects, with the 10-year Budget 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 2012-13 and for capital investment for three years to 2014-15. It also has a summary level 10-year Budget to 2022-23, together with a linked Balance Sheet, again to 2023.

The 10-year Budget has been developed to aid longer term planning, through the identification of longer term trends and pressures. 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 2012/13.





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 10-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 is built in, through the Council's Finance Procedure Rules. This is key to the successful delivery of the Financial Plan.

Objectives, assumptions and risks

Financial objectives

Given the difficult national financial position, the Council revised its financial objectives in 2011, in order to ensure it is best placed to deliver a resilient, flexible and more long term Financial Strategy. The new objectives built on work in previous years and focused on key issues such as reduced ear-marked reserves, increased instability and uncertainty and reduced government funding.

The Council will continue to:

- **Streamline its service and financial planning process** – the revised process is less bureaucratic which frees up Member and officer time. A key component of the revised process was the recognition of the need to make a high proportion of savings in the first year (2011/12), thus reducing the overall level of savings required.
- **Set a 10-year balanced budget** – using a longer timeframe enables the Council to manage peaks and troughs more effectively and also highlights longer term pressures that are masked by focussing on a shorter timeframe.
- **Make flexible use of the Budget Stabilisation Fund** – within a structured and balanced budget the ability to use underspends to absorb overspends in later year's increases resilience at a time of increased uncertainty.
- **Make more effective use of earmarked reserves** – using a longer planning timeframe highlighted the consequences of current reserve depletion. Instead the use of these reserves will be smoothed over the 10-year Budget, allowing more time to find sustainable solutions to financial pressures.
- **Structure its use of capital receipts** – this allows the capital programme to receive some level of realistic, predictable and long-term funding.
- **Review and more tightly manage its inflationary pressures** – the use of the 10-year Budget timeframe highlights the Council's structural inflationary gap and the pressure this places on its budget. Inflationary pressures are being reviewed and managed to reduce this pressure, though this remains a key risk area for the Council.



In the context of these objectives, the Council will continue to:

- ensure a minimum General Fund Reserve level of 10% of net service expenditure is maintained
- aim to preserve priority services by diverting resources from non-priority services
- respond to new demands and pressures for services in the most cost-effective way
- apply project appraisal, business planning and affordability processes including whole life costings to any significant new developments
- consider alternative ways of delivering services, including partnership working, where appropriate
- look for efficiency improvements and to review charges for services
- bid for external funding, recognising that some service enhancements can only be achieved in this way
- ensure 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 10-year Budget. The Budget 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 grant and limits on Council Tax increases
- capital expenditure to be based on the presently approved programme with no change in finance rules
- liabilities arising from future improvement/renovation of Council assets will be financed increasingly from revenue budgets rather than from revenue reserves set aside
- the effects of inflation each year on the Council's budget will be identified and managed, and any inflationary pressures offset by savings/income increases
- the Budget is in line with the Council's plan to reduce reliance on the use of reserves
- there is flexibility via the Budget Stabilisation Reserve to offset overspends in one year against underspends in other years

Looking at specific major items, key assumptions for 2013/14 are:

- pay cost inflation award 1%
- non-pay costs inflation of 2.5%
- Income increasing by 3.5%
- 0.8% return on investments
- Council Tax increase of 1.98%
- Government Grant reduction of 14%

Key financial risks

The key financial risks identified by the Council are:

- Grant settlement worse than estimated
- pay cost inflation above assumption
- energy and fuel cost inflation above assumption
- variable income sources not hitting budget targets
- Pension Fund deficit funding
- Asset Maintenance funding
- delivery of the high number of planned savings over future 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.

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 (ten-year budget 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.
- 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.

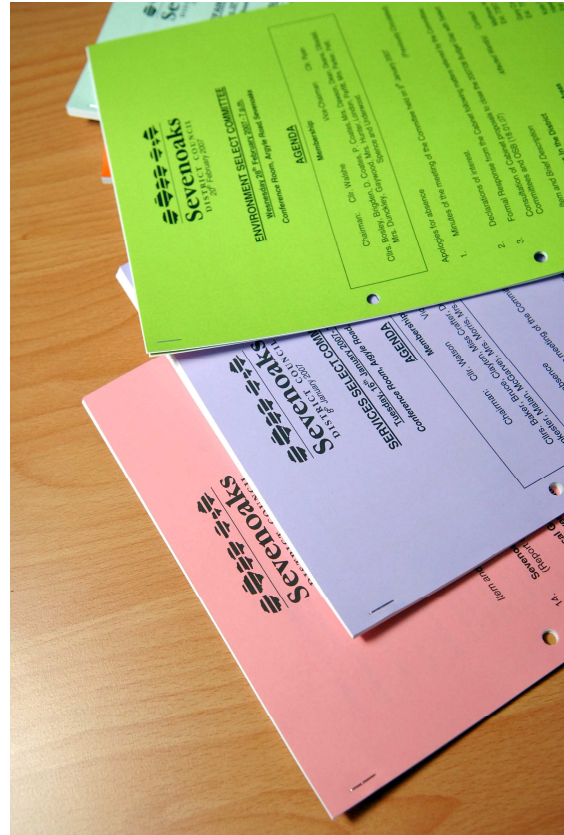
Other Key Financial Policies

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, Investment policy and strategy, current treasury position and 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 10-year Budget.



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, Chief Executive Designate, 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.

External Audit

The role of the external auditors is to assess the Council's compliance with sound accounting principles including other regulatory requirements and the overall performance, and effectiveness.

From 2010/11 to 2011/12, the Audit Commission arranged for its own auditors to conduct the necessary audits and inspections for Sevenoaks District Council.

Grant Thornton were appointed as the Council's external auditor to replace the Audit Commission with effect from 1 November 2012. This followed a procurement exercise to outsource the work of the Commission's in-house audit practice into five year regional contracts.

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 by the Audit Commission.

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 Organisational Assessment (December 2009) set out the outcome of the new, much broader Organisational Assessment for 2008/09. The Council achieved the top score of 4 for both Use of Resources and Managing Performance. These scores combined gave the Council an overall Organisational Assessment score of 4, 'Performs Excellently'.

2008/09 was the last year that local authorities were assessed in this manner. Reports produced by the external auditors since then have continued to include positive comments about the financial management of the council.

Area of assessment	Score
Managing finances (including financial planning and reporting, and the achievement of efficiencies)	4 out of 4
Governing the business (including procurement, governance, information use, risk management and internal control)	3 out of 4
Managing resources (including workforce planning and management)	4 out of 4
Overall score for Use of Resources	4 out of 4
Managing performance	4 out of 4

The Council will be participating in an exercise with Grant Thornton to provide a more up date measure of its financial performance.

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
- carrying out indepth scrutiny reviews of a number of services each year, led by Scrutiny Committee 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.



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 (Council publication distributed to all households)
- press releases
- local forums and groups
- staff meetings and
- its own democratic processes to promote the widest possible public financial accountability.



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.

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 the Council 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 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, the Council'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 2012/13:	£000
Vehicle replacements	844
Housing improvement grants	868
Blighs Phase 2	150
Parish projects	71
Argyle Road Office	207
Modern Gov't Document Management System	16
Total	2,156

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.

Annual **asset maintenance** costs are now included in the revenue budget with an earmarked reserve set aside for emergencies. 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.

Our carbon footprint



The District Council has signed up to Climate Local Kent, which is a commitment

to reduce carbon emissions across the county and improve resilience to the affects of our changing climate. We are currently developing a bespoke District-level strategy in response to Climate Local Kent and this will agree and set District-level commitments and targets to protect the environment; promote the green economy and economic growth across the District; set out measures for more environmentally (and financially) efficient District Council services; and promoting a greener District.

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 District Council also anticipates further carbon offsetting opportunities, efficiencies and benefits, as new and emerging technologies continue to hit the market.



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

By recycling cardboard, office paper, cans and plastic bottles, printer cartridges and IT equipment at our office and depot; we have reduced the non recyclable waste generated by our facilities by nearly half.

Ten Year Budget 2012-13 to 2022-23

	Budget 2012/13	Plan 2013/14	Plan 2014/15	Plan 2015/16	Plan 2016/17	Plan 2017/18	Plan 2018/19	Plan 2019/20	Plan 2020/21	Plan 2021/22	Plan 2022/23	Cumulative
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure												
Net Service Expenditure c/f	13,771	13,443	13,800	14,854	15,302	15,723	16,127	16,389	16,761	17,126	17,465	
Inflation	468	621	633	565	564	566	563	558	552	339	338	
Superannuation Fund deficit: actuarial increase	0	0	520	0	0	0	0	0	0	0	0	
Net savings (approved in previous years)	(796)	(404)	(119)	(117)	(143)	(162)	(301)	(186)	(187)	0	0	
New growth and savings	0	140	20	0	0	0	0	0	0	0	0	
Net Service Expenditure b/f	13,443	13,800	14,854	15,302	15,723	16,127	16,389	16,761	17,126	17,465	17,803	
Financing Sources												
Government Support (1)	(4,646)	(3,788)	(3,542)	(3,412)	(3,338)	(3,307)	(3,406)	(3,508)	(3,613)	(3,721)	(3,833)	
New Homes Bonus		(976)	(1,276)	(1,576)	(1,876)	0	0	0	0	0	0	
Govt Support - to be passed on to Towns/Parishes		(274)	(282)	(293)	(305)	(317)	(330)	(343)	(357)	(371)	(386)	
Govt Support - passed on to Towns/Parishes		274	282	293	305	317	330	343	357	371	386	
Council Tax	(9,251)	(8,728)	(8,990)	(9,350)	(9,724)	(10,113)	(10,518)	(10,939)	(11,377)	(11,832)	(12,305)	
Council Tax Support grant		(734)	(756)	(786)	(769)	(762)	(785)	(809)	(833)	(858)	(884)	
Interest Receipts	(173)	(229)	(234)	(356)	(375)	(351)	(317)	(286)	(260)	(239)	(221)	
Contributions to Reserves	330	787	474	477	479	362	365	367	370	373	376	
Contributions from Reserves	(536)	(795)	(580)	(580)	(580)	(580)	(580)	(580)	(580)	(580)	0	
Total Financing	(14,276)	(14,463)	(14,905)	(15,584)	(16,183)	(14,752)	(15,241)	(15,756)	(16,294)	(16,858)	(16,867)	
Budget Gap (surplus)/deficit	(833)	(663)	(51)	(282)	(460)	1,375	1,148	1,005	832	607	936	3,614
Contribution to/(from) Stabilisation Reserve	833	663	51	282	460	(1,375)	(1,148)	(1,005)	(832)	(607)	(936)	(3,614)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0	0

Assumptions

Government Support:	-14% in 13/14, -7% in 14/15, -4% in 15/16, -2% in 16/17, -1% in 17/18, +3% later years
Council Tax:	1.98% in 13/14, 3% in 14/15, 4% later years
Interest Receipts:	0.8% in 13/14 and 14/15, 1.2% in 15/16, 1.3% later years (based on Sector Bank Rate forecast + 0.3%)
Pay award:	1% in 13/14, 1.5% in 14/15, 2% later years
Other costs:	3.5% in 13/14, 3% in 14/15 1.75% later years
Income:	3.5% in all years

Remaining balance / (shortfall) in Budget Stabilisation reserve:

552

Note 1

Government Support includes Council Tax Freeze Grants

Balance Sheet	Note	31/3/12	31/3/13	31/3/14	31/3/15	31/3/16	31/3/17	31/3/18	31/3/19	31/3/20	31/3/21	31/3/22	31/3/23
		Actual	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Long Term Assets													
Property, Plant and Equipment	1	17,083	16,809	16,612	16,415	16,218	16,021	15,824	15,627	15,430	15,233	15,036	14,839
Investment Property		2,835	2,701	883	883	883	883	883	883	883	883	883	883
Long Term Investments		404	0	0	0	0	0	0	0	0	0	0	0
Long Term Debtors		520	476	436	407	378	349	320	310	306	302	298	294
		20,842	19,986	17,931	17,705	17,479	17,253	17,027	16,820	16,619	16,418	16,217	16,016
Current Assets													
Short-term Investments		15,277	13,039	14,292	14,217	13,628	13,408	11,234	9,272	7,388	5,825	4,505	3,448
Cash and Cash Equivalents		8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772
Inventories		55	55	55	55	55	55	55	55	55	55	55	55
Short Term Debtors		1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965
Payments in Advance		139	139	139	139	139	139	139	139	139	139	139	139
		26,208	23,970	25,223	25,148	24,559	24,339	22,165	20,203	18,319	16,756	15,436	14,379
Current Liabilities													
Receipts in Advance		(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)
Short Term Creditors		(3,219)	(847)	(848)	(849)	(850)	(851)	(852)	(853)	(854)	(855)	(856)	(857)
Short Term Provisions		(187)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)
		(4,195)	(1,788)	(1,789)	(1,790)	(1,791)	(1,792)	(1,793)	(1,794)	(1,795)	(1,796)	(1,797)	(1,798)
NET CURRENT ASSETS		22,013	22,182	23,434	23,358	22,768	22,547	20,372	18,409	16,524	14,960	13,639	12,581
Long Term Liabilities													
Long Term Creditors		(368)	(367)	(366)	(365)	(364)	(363)	(362)	(361)	(360)	(359)	(358)	(357)
Long Term Provisions		(1,757)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)
Net Pensions Liability	2,3	(49,641)	(48,151)	(46,661)	(45,171)	(43,681)	(42,191)	(40,701)	(39,211)	(37,721)	(36,231)	(34,741)	(33,251)
Capital Grants Receipts in Advance		(164)	0	0	0	0	0	0	0	0	0	0	0
		(51,930)	(48,729)	(47,238)	(45,747)	(44,256)	(42,765)	(41,274)	(39,783)	(38,292)	(36,801)	(35,310)	(33,819)
TOTAL NET ASSETS		(9,075)	(6,561)	(5,873)	(4,684)	(4,009)	(2,965)	(3,875)	(4,554)	(5,149)	(5,423)	(5,454)	(5,222)
USABLE RESERVES													
Usable Capital Receipts Reserve		708	1,564	2,915	2,972	2,872	2,772	2,672	2,572	2,472	2,372	2,272	2,172
Earmarked Reserves		16,098	16,692	16,569	16,412	15,898	15,753	13,654	11,786	10,002	8,539	7,319	6,362
General Fund		3,713	3,713	3,713	3,713	3,713	3,713	3,713	3,713	3,713	3,713	3,713	3,713
		20,519	21,969	23,197	23,097	22,483	22,238	20,039	18,071	16,187	14,624	13,304	12,247
UNUSABLE RESERVES													
Capital Adjustment Account		15,702	15,295	13,280	13,083	12,886	12,689	12,492	12,295	12,098	11,901	11,704	11,507
Revaluation Reserve		4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322
Accumulated Absences Account		(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)	(152)
Collection Fund		(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)
Pensions Reserve	2,3	(49,641)	(48,151)	(46,661)	(45,171)	(43,681)	(42,191)	(40,701)	(39,211)	(37,721)	(36,231)	(34,741)	(33,251)
Deferred Capital receipts		229	210	195	191	187	183	179	175	171	167	163	159
		(29,594)	(28,530)	(29,070)	(27,781)	(26,492)	(25,203)	(23,914)	(22,625)	(21,336)	(20,047)	(18,758)	(17,469)
TOTAL RESERVES		(9,075)	(6,561)	(5,873)	(4,684)	(4,009)	(2,965)	(3,875)	(4,554)	(5,149)	(5,423)	(5,454)	(5,222)

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.

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