

07 September 2021 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 27.08.21

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https://www.youtube.com/channel/UCLT1f_F5OfvTzxjZk6Zqn6g.



Finance & Investment Advisory Committee

Membership:

Chairman, Cllr. Grint; Vice-Chairman, Cllr. Dickins

Cllrs. Abraham, Bayley, Carroll, Clack, Clayton, Penny Cole, Griffiths, Harrison, Hogarth and Reay

Agenda

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

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the minutes of the meeting of the Committee held on 16 June 2021, as a correct record.	(Pages 1 - 4)	
2. Declarations of Interest Any interests not already registered.		
3. Actions from Previous Meeting (if any)	(Pages 5 - 6)	
4. Update from Portfolio Holder		
5. Referral from Cabinet or the Audit Committee (if any)		
6. Treasury Management Annual Report 2020/21	(Pages 7 - 38)	Roy Parsons Tel: 01732 227204
7. Financial Performance Indicators 2021/22 - to the end of July 2021	(Pages 39 - 46)	Alan Mitchell Tel: 01732227483
8. Financial Results 2021/22 - to the end of July 2021	(Pages 47 - 76)	Alan Mitchell Tel: 01732227483
9. Financial Prospects and Budget Strategy 2022/23	(Pages 77 - 98)	Adrian Rowbotham Tel: 01732 227153

10. **Work Plan**

(Pages 99 - 100)

EXEMPT INFORMATION

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

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

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

FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 16 June 2021 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Dickins (Vice Chairman)

Cllrs. Abraham, Bayley, Clack, Penny Cole, Griffiths, Grint and Harrison

Cllr. Perry Cole was also present.

Apologies for absence were received from Cllrs. Carroll, Clayton, Hogarth and Reay

1. Appointment of Chairman

Resolved: That Cllr Grint be appointed Chairman of the Advisory Committee for 2021/22.

(Cllr Grint in the Chair)

2. Appointment of Vice Chairman

Resolved: That Cllr Dickins be appointed Vice Chairman of the Advisory Committee for 2021/22.

3. Minutes

Resolved: That the Minutes of the meeting of the Committee held on 25 March 2021 be approved and signed by the Chairman as a correct record.

4. Declarations of Interest

No additional declarations of interest were made.

5. Actions from Previous Meeting

The actions were noted.

6. Update from Portfolio Holder

The Portfolio Holder welcomed the Chairman for the new municipal year and thanked the Advisory Committee for electing him Vice Chairman.

He updated the Advisory Committee on the work of the portfolio since the last meeting including work on White Oak Leisure Centre, sales at Burlington Mews and

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Finance & Investment Advisory Committee - 16 June 2021

opportunities in relation to Bevan Place. He gave a general overview of the work in his Portfolio and said he looked forward to the coming year.

7. Referrals from Cabinet or the Audit Committee

There were none.

8. Financial Performance Indicators 2021/21 - to the end of March 2021

The Head of Finance presented the report which presented figures on nine internally set performance indicators covering activities that supported information provided in the regular financial monitoring statements.

He answered questions from Members and offered to provide further information on Business Rates. The Portfolio Holder advised that he had taken the opportunity to ask questions about this area and that he was showing a particular interest in the recovery of businesses after the Covid-19 pandemic.

Action 1: For the Head of Finance to report back on the expected future impact on business rates collection.

Public Sector Equality Duty

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

Resolved: That the report be noted.

9. Provisional Outturn 2020/21

The Head of Finance reported the Provisional Financial Outturn figures for 2020/21, which showed an unfavourable variance of £321,000. The net unfavourable impact of COVID-19 had been £336,000 and therefore excluding COVID-19 there would have been a favourable variance of £15,000 for the year.

He thanked all involved in budget monitoring for their hard work in managing the variance and this was echoed by the Chairman. The Head of Finance and the Deputy Chief Executive and Chief Officer for Finance & Trading answered questions from Members and explained the provisional figures further.

The Portfolio Holder spoke on this item and explained the NJC pay award process for Officers and Members. He also spoke in relation to greater demands on the budget in relation to rising levels of homelessness and indicated that a provision had been made for this issue.

Public Sector Equality Duty

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

Resolved: That the report be noted.

10. Re-profiling Capital Programme 2021/22

The Strategic Head of Property & Commercial Services presented the report which sought prioritisation of the Bevan Place Project within the Capital Programme.

In November 2020, Council had agreed a three-year Capital Programme part of which was to facilitate the development of new regeneration schemes for the Council. At the time of preparing the recommendations, high level assumptions were made as to potential projects, indicative costs, and pace of delivery. This resulted in a list of potential projects and envisaged funding allocations, and a projects approval protocol was put in place.

In establishing a three-year Capital Programme it also required the approval of a funding pot that would facilitate the rapid deployment of funds towards projects. However, with different schemes moving at different pace, there was a greater need to draw funds towards schemes that were maturing faster. The realignment of the Capital Programme would provide officers with greater flexibility in delivering the Bevan Place Project at pace.

He answered questions from Members and explained how the sum had been calculated.

Public Sector Equality Duty

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

Resolved: That

- a) the requirement to create greater flexibility in drawing down funds from the approved Capital Programme, be noted; and
- b) the following recommendation to Cabinet be endorsed -

That £400,000 be vired within the approved Capital Programme to facilitate the delivery of the Bevan Place project as follows:

- £330,000 from Edenbridge (This project to be postponed to 2022/23 and be re-profiled as part of the 2022/23 Budget setting process)
- £20,000 from the Sevenoaks Town Centre Regeneration Project
- £50,000 from the “Other Feasibility” allocation.

11. Work Plan

The Work Plan was noted.

THE MEETING WAS CONCLUDED AT 7.38 PM

CHAIRMAN

ACTIONS FROM THE MEETING HELD ON 15 JUNE 2021 (as at 25.03.21)

Action	Description	Status	Contact Officer
Action 1	For the Head of Finance to report back on the expected future impact on business rates collection.		Alan Mitchell Ext. 7483

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TREASURY MANAGEMENT ANNUAL REPORT 2020/21

Finance & Investment Advisory Committee - 7 September 2021

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

Status: For Decision

Also considered by:

- Cabinet - 16 September 2021

Key Decision: No

Executive Summary: This report provides the customary review of investment and borrowing activity during 2020/21 as required by the Council's Financial Procedure Rules. The report outlines the strategy adopted during the year, shows the position of the investment and debt portfolios at the beginning and the end of the year and gives details of how the investment fund performed in comparison with previous years and against various benchmarks.

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

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer: Roy Parsons, Ext. 7204

Recommendation to Finance & Investment Advisory Committee: That Cabinet be asked to approve the Treasury Management Annual Report for 2020/21.

Recommendation to Cabinet: That the Treasury Management Annual Report for 2020/21 be approved.

Reason for recommendations: As required by both the Council's Financial Procedure Rules and the CIPFA Code, an annual report of treasury management activity is to be presented to Members for approval.

Background

- 1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the Chartered Institute of Public Finance

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and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

- 2 During 2020/21 the minimum reporting requirements were that the Council should receive the following reports:
 - an annual treasury strategy in advance of the year (Council 25/02/2020)
 - a mid year (minimum) treasury update report (Circulated to Members of Finance & Investment Advisory Committee for comment & Cabinet 10/12/2020)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)
- 3 The Council's treasury management advisers, Link Asset Services, also provided monthly reviews of our investment performance which were emailed to Members.
- 4 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 5 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Finance & Investment Advisory Committee before they were reported to Cabinet or the full Council. Member training was last undertaken on 14 November 2018 in order to support Members' scrutiny role.

Introduction

- 6 This **annual treasury report** covers:
 - (a) The Council's capital expenditure and financing;
 - (b) treasury position at the beginning and end of the financial year
 - (c) the economy and interest rates;
 - (d) investment strategy and control of interest rate risk in 2020/21;
 - (e) borrowing requirement and debt;
 - (f) borrowing strategy and control of interest rate risk in 2020/21;
 - (g) borrowing outturn 2020/21;

- (h) investment outturn for 2020/21 and performance;
- (i) compliance with treasury management limits and prudential indicators; and
- (j) other issues (including an update on the Municipal Bonds Agency).

The Council’s capital expenditure and financing

- 7 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council’s borrowing need; or
 - if insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- 8 The actual capital expenditure forms one of the required prudential indicators. The following table shows the actual capital expenditure and how this was financed.

	31/3/20 Actual (£000)	31/3/21 Actual (£000)
Capital expenditure	11,881	11,635
Financed in year	(6,081)	(3,641)
Unfinanced capital expenditure	5,800	7,994

The unfinanced capital expenditure was funded by internal borrowing.

Treasury position at the beginning and end of the financial year

- 9 The Council’s treasury position at the beginning and end of the financial year was as follows:

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	31/3/20 Principal (£000)	Rate Return (%)	Average Life (Years)	31/3/21 Principal (£000)	Rate Return (%)	Average Life (Years)
Total debt	5,074	2.66	27.5	4,954	2.66	26.5
Capital Financing Requirement (CFR)	27,515	-	-	35,235	-	-
Over/(under) borrowing	(22,441)	-	-	(30,281)	-	-
Total investments	16,404	0.89	-	11,050	0.35	-
Net debt/ (investments)	(11,330)	-	-	(6,096)	-	-

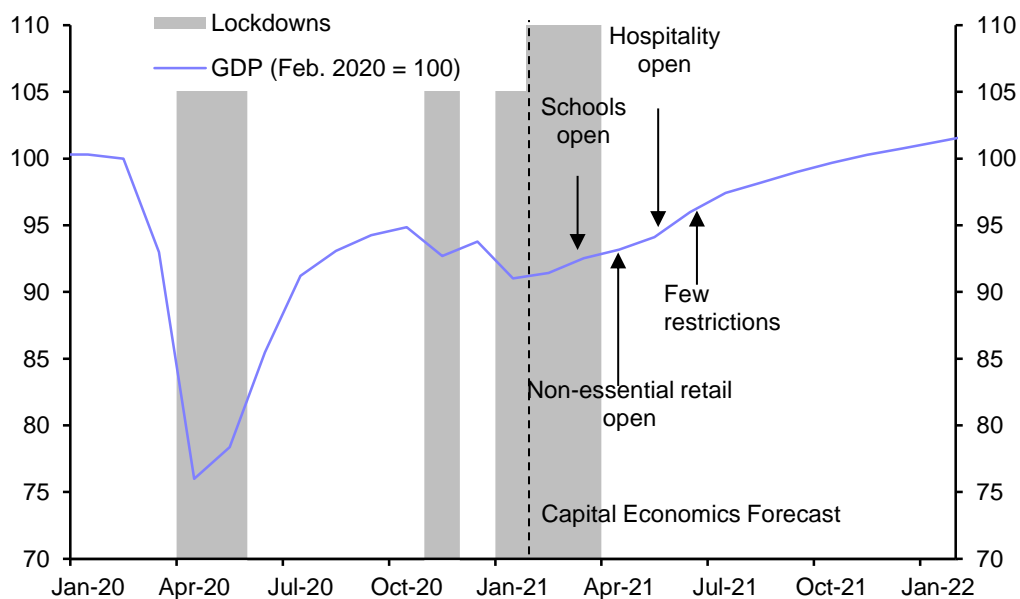
The maturity structure of the debt portfolio was as follows:

	31/3/20 Actual (£000)	31/3/21 Actual (£000)
Under 12 months	-	-
12 months and over and within 20 years	-	-
20 years and over and within 30 years	5,074	4,954
30 years and over and within 50 years	-	-

- 10 The investment portfolio at the beginning and end of the financial year appears at Appendix A, whilst an analysis by maturity and repayment due dates appears at Appendix B.
- 11 All investments were for periods up to one year in duration.

The economy and interest rates

12 **UK. Coronavirus.** The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one. The advent of vaccines starting in November 2020, were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.



Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.

13 The Monetary Policy Committee (MPC) cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing (QE) i.e. purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields. The MPC increased then QE by £100bn in June and by £150bn in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were

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concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months - by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

- 14 **Average inflation targeting.** This was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate - until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. This sets a high bar for raising Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC.
- 15 **Government support.** The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 2020/21 and 2021/22 so that the Debt to GDP ratio reaches around 100%. The Budget on 3 March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery from the pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.
- 16 **BREXIT.** The final agreement on 24 December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.
- 17 **USA.** The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in

November 2020 and have control of both Congress and the Senate, although power is more limited in the latter. This enabled the Democrats to pass a \$1.9trn (8.8% of GDP) stimulus package in March on top of the \$900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout proceeding swiftly to hit the target of giving a first jab to over half of the population within the President's first 100 days, will promote a rapid easing of restrictions and strong economic recovery during 2021. The Democrats are also planning to pass a \$2trn fiscal stimulus package aimed at renewing infrastructure over the next decade. Although this package is longer-term, if passed, it would also help economic recovery in the near-term.

- 18 After Chair Jerome Powell spoke on the Federal Reserve's (Fed) adoption of a flexible average inflation target in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed a new inflation target - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. There is now some expectation that where the Fed has led in changing its policy towards implementing its inflation and full employment mandate, other major central banks will follow, as indeed the Bank of England has done so already. The Fed expects strong economic growth during 2021 to have only a transitory impact on inflation, which explains why the majority of Fed officials project US interest rates to remain near-zero through to the end of 2023. The key message is still that policy will remain unusually accommodative - with near-zero rates and asset purchases - continuing for several more years. This is likely to result in keeping treasury yields at historically low levels. However, financial markets in 2021 have been concerned that the sheer amount of fiscal stimulus, on top of highly accommodative monetary policy, could be over-kill leading to a rapid elimination of spare capacity in the economy and generating higher inflation much quicker than the Fed expects. They have also been concerned as to how and when the Fed will eventually wind down its programme of monthly QE purchases of treasuries. These concerns have pushed treasury yields sharply up in the US in 2021 and are likely to have also exerted some upward pressure on gilt yields in the UK.
- 19 **EU.** Both the roll out and take up of vaccines has been disappointingly slow in the EU in 2021, at a time when many countries are experiencing a sharp rise in cases which are threatening to overwhelm hospitals in some major countries; this has led to renewed severe restrictions or lockdowns during March. This will inevitably put back economic recovery after the economy had staged a rapid rebound from the first lockdowns in Q3 of 2020 but contracted slightly in Q4 to end 2020 only 4.9% below its pre-pandemic

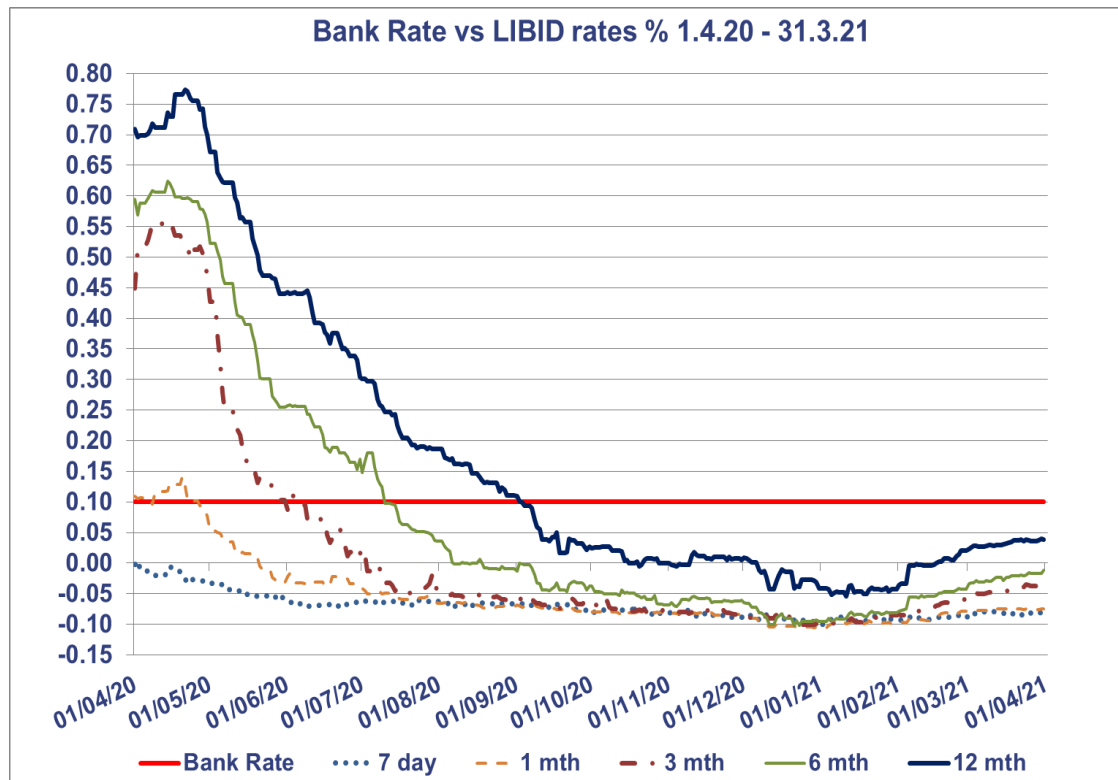
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level. Recovery will now be delayed until Q3 of 2021 and a return to pre-pandemic levels is expected in the second half of 2022.

- 20 Inflation was well under 2% during 2020/21. The European Central Bank (ECB) did not cut its main rate of -0.5% further into negative territory during 2020/21. It embarked on a major expansion of its QE operations (PEPP) in March 2020 and added further to that in its December 2020 meeting when it also greatly expanded its programme of providing cheap loans to banks. The total PEPP scheme of €1,850bn is providing protection to the sovereign bond yields of weaker countries like Italy. There is, therefore, unlikely to be a euro crisis while the ECB is able to maintain this level of support.
- 21 **China.** After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth.
- 22 **Japan.** Three rounds of government fiscal support in 2020 together with Japan's relative success in containing the virus without draconian measures so far, and the roll out of vaccines gathering momentum in 2021, should help to ensure a strong recovery in 2021 and to get back to pre-virus levels by Q3.
- 23 **World growth.** World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- 24 **Deglobalisation.** Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. In March 2021, western democracies implemented limited sanctions against a few officials in charge of government policy on the Uighurs in Xinjiang; this led to a much bigger retaliation by China and is likely to mean that the China / EU investment deal then being negotiated, will be torn up. After the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products and vice versa. This is likely to reduce world growth rates.
- 25 **Central banks' monetary policy.** During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This

provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

Investment strategy and control of interest rate risk in 2020/21



	Bank Rate	7 Day	1 Mth	3 Mth	6 Mth	12 Mth
High	0.10	0.00	0.14	0.56	0.62	0.77
High Date	01/04/2020	02/04/2020	20/04/2020	08/04/2020	14/04/2020	21/04/2020
Low	0.10	-0.10	-0.11	-0.10	-0.10	-0.05
Low Date	01/04/2020	31/12/2020	29/12/2020	23/12/2020	21/12/2020	11/01/2021
Average	0.10	-0.07	-0.05	0.01	0.07	0.17
Spread	0.00	0.10	0.25	0.66	0.73	0.83

26 Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of

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inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

- 27 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 28 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

The borrowing requirement and debt

- 29 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).
- 30 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2020/21. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31/3/20 Actual (£000)	31/3/21 Actual (£000)
CFR General Fund	27,515	35,235
Gross borrowing position	5,074	4,954
Over/(under) funding of CFR	(22,441)	(30,281)

- 31 The “authorised limit” is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Council has maintained gross borrowing within its authorised limit.
- 32 The “operational boundary” is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
- 33 “Actual financing costs as a proportion of net revenue stream” is an indicator identifying the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2020/21 (£000)
Authorised limit	35,520
Maximum gross borrowing position during the year	5,074
Operational boundary	30,520
Average gross borrowing position	5,014
Financing costs as a proportion of net revenue stream	0.88%

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Borrowing strategy and control of interest rate risk in 2020/21

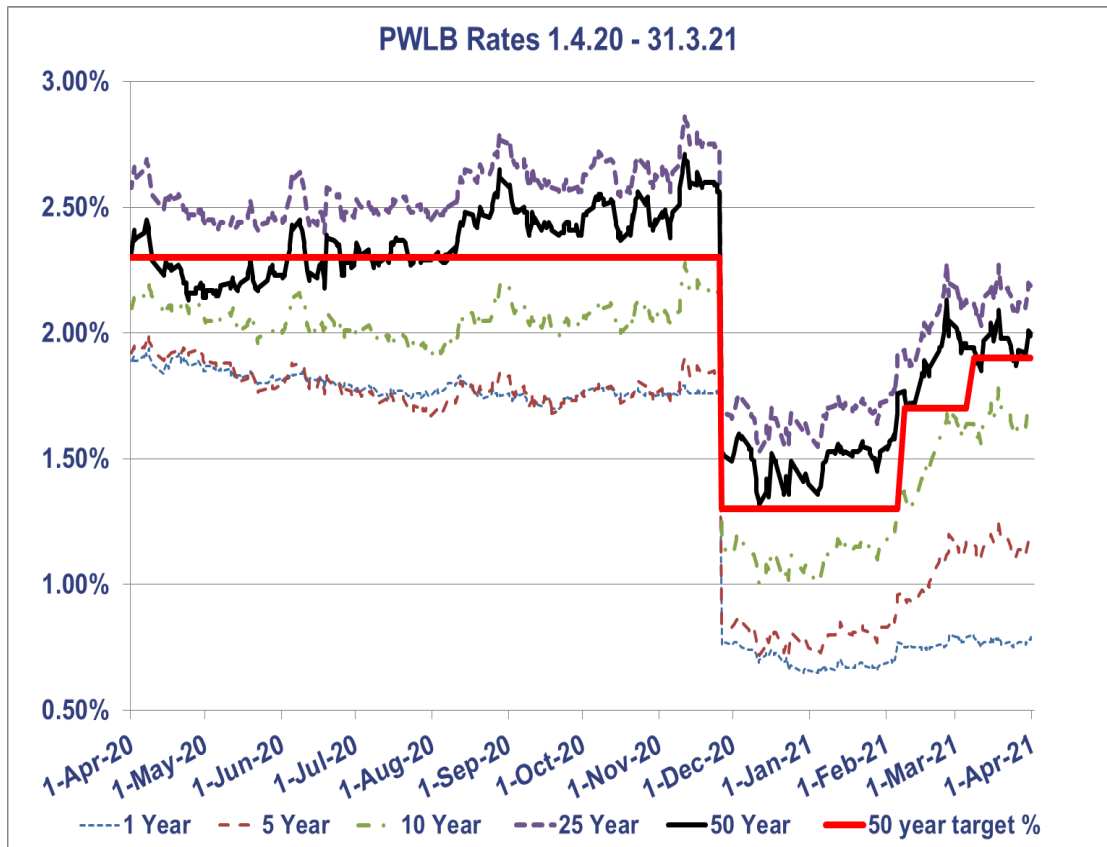
- 34 During 2020/21 the Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement) was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This is known as internal borrowing. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 35 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost - the difference between (higher) borrowing costs and (lower) investment returns.
- 36 The policy of avoiding new borrowing by running down spare cash balances, has served the Council well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 37 Interest rate forecasts anticipated only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Forecasts from our treasury management advisors, Link Asset Services, together with historical rates appear below.

Forecast at the time of approval of 2020/21 Treasury Management Strategy:-

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PVLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PVLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PVLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PVLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

Forecast at year end:-

Link Group Interest Rate View		8.3.21											
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.40	1.40	1.40	1.40
10 yr PWLB	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	1.90
25 yr PWLB	2.10	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50
50 yr PWLB	1.90	1.90	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.30	2.30	2.30	2.30



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.65%	0.72%	1.00%	1.53%	1.32%
Date	04/01/2021	11/12/2020	11/12/2020	11/12/2020	11/12/2020
High	1.94%	1.99%	2.28%	2.86%	2.71%
Date	08/04/2020	08/04/2020	11/11/2020	11/11/2020	11/11/2020
Average	1.43%	1.50%	1.81%	2.33%	2.14%
Spread	1.29%	1.27%	1.28%	1.33%	1.39%

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- 38 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession.
- 39 Gilt yields fell sharply from the start of 2020 and then spiked up during a financial markets melt down in March caused by the pandemic hitting western countries; this was rapidly countered by central banks flooding the markets with liquidity. While US treasury yields do exert influence on UK gilt yields so that the two often move in tandem, they have diverged during the first three quarters of 2020/21 but then converged in the final quarter. Expectations of economic recovery started earlier in the US than the UK but once the UK vaccination programme started making rapid progress in the new year of 2021, gilt yields and gilt yields and PWLB rates started rising sharply as confidence in economic recovery rebounded. Financial markets also expected Bank Rate to rise quicker than in the forecast tables in this report.
- 40 At the close of the day on 31 March 2021, all gilt yields from 1 to 5 years were between 0.19 - 0.58% while the 10-year and 25-year yields were at 1.11% and 1.59%.
- 41 HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first took place on 9 October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11 March 2020, but not for mainstream non-HRA capital schemes. A consultation was then held with local authorities and on 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -
- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)

- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

42 There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

Borrowing outturn for 2020/21

43 No borrowing was undertaken during the year. The following is the only loan outstanding:-

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£5.25m	Fixed interest rate - Annuity	2.66%	3/11/2047

44 There were no repayments or rescheduling of debt during 2020/21.

Investment outturn for 2020/21 and performance

45 The Council’s investment policy is governed by Ministry of Housing Communities and Local Government (MHCLG) guidance, which has been implemented in the annual investment strategy approved by the Council on 25 February 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

46 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

47 Appendix C shows the performance of the fund during 2020/21 both in table and graphical form. The table shows the average percentage return on the fund, both monthly and for the whole year and compares them with the average 7-day and 3-month London Interbank Bid (LIBID) rates. The average return achieved by each broker is only a very basic measure of performance, because returns will depend on the number and length of each investment he/she is asked to carry out. If a particular broker is only asked to place short term investments, he/she may well not achieve the same overall rate as a broker who predominantly handles longer term investments for us.

48 The graph shows actual monthly receipts for 2018/19, 2019/20 and 2020/21 plus budgeted monthly receipts for 2020/21. The monthly interest budget

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has been profiled in line with the previous year's monthly weighted average principal.

- 49 Over the course of the year interest receipts amounted to £79,300 compared with a budget of £300,000. The fall in income reflects the ultra-low returns on short duration deposits (up to 12 months) available in the market at the present time. Rates declined throughout 2020/21 in response to both the March 2020 Bank Rate cut and the realisation that recovery from the economic impacts of Covid-19 is going to be with us for some time to come. Balances available for investment were significantly reduced during the year owing to the demands of the property investment strategy and the funding of the capital programme, which also restricted the planned diversification into longer-term pooled investment vehicles such as multi-asset funds. These funds have the potential for greater revenue income, but also have the potential for capital loss as well as capital growth. For these reasons, they are viewed with a minimum 5 year investment horizon which, in theory, evens out capital loss and growth.
- 50 In 2020/21 the average return on the Council's investments was roughly in line with that of our neighbouring authorities. Our overall rate of return was 0.35% compared with 0.22% for Tonbridge & Malling Borough Council and 0.36% for Gravesham Borough Council. It should be noted that investment returns are notoriously difficult to compare as they have often been compiled on a different basis (for example, whether or not interest has been compounded, whether or not cashflow generated balances have been included, whether or not externally managed funds have been included and whether or not the figures are net of borrowings). Note that this Council has also invested in property which is not included in this report.
- 51 Our treasury management advisers recommend the 3-month LIBID figure as a benchmark. This reflects a more realistic neutral investment position for core investments with a medium term horizon and a rate which is more stable with less fluctuation caused by market liquidity. Historically, this rate has been slightly higher than the 7-day rate and therefore more challenging a comparator, but one which does not necessitate a significantly increased level of risk. The figures calculated by our advisers for these two benchmarks are as follows:
- 7-day LIBID uncompounded -0.0706%
 - 3-month LIBID uncompounded 0.0150%

Compliance with treasury management limits and prudential indicators

- 52 The Council operates to approved prudential indicators for treasury management as contained in the Treasury Management Strategy Statement (TMSS). The TMSS for 2020/21 was part of the annual treasury strategy reported to Council on 25 February 2020. The approved limits exist to regulate short-term borrowing for operational cash flow fluctuations, as well

as long-term borrowing for financing capital investments. Additionally, the limits aim is to mitigate against fluctuations in interest rates.

Other issues

Update on the Municipal Bonds Agency

- 53 During 2014/15, the Council invested £50,000 to become an equity shareholder in the Local Capital Finance Company, which was set up by the Local Government Association under the name of the Municipal Bonds Agency (MBA). This was a 'Policy Investment' and does not form part of the treasury management strategy. The purpose of the agency is to facilitate borrowing by local authorities at rates that are expected to be more competitive than those of the Public Works Loan Board (PWLB). There are 56 shareholder councils.
- 54 The MBA has revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor. A planned third bond issuance by Warrington Borough Council was withdrawn in early December after the reduction in PWLB borrowing rates.
- 55 The Company also engaged with a number of local authorities amongst its shareholders and others with respect to their debt finance requirements and supported authorities in their due diligence process. The Company is now working to assemble a number of councils with borrowing demand, with a view to returning to the market with a pooled bond in 2021.
- 56 The MBA is an option for any future borrowing requirement, but the Council will first need to ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.

CIPFA consultations

- 57 In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principle-based consultations and will be followed by more specific proposals later in the year.
- 58 In the Prudential Code the key area being addressed is the statement that "local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed". Other proposed changes include the sustainability of capital expenditure in

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accordance with an authority's corporate objectives, i.e. recognising climate diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the "gross debt and the CFR" with the liability benchmark as a graphical prudential indicator.

- 59 Proposed changes to the Treasury Management Code include requiring job specifications and "knowledge and skills" schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee and a new TMP 13 on Environmental, Social and Governance Risk Management.

Non-treasury management investments

- 60 Members will be aware that significant property purchases have been carried out in recent years which are regarded as non-treasury investments. Further details are contained within Property Investment Strategy reports that are submitted to Members separately.

Key Implications

Financial

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

Legal Implications and Risk Assessment Statement

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

This annual review report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2017.

Treasury management has two main risks :

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

Consideration of risk is integral in our approach to treasury management. However, this particular report has no specific risk implications as it is not proposing any new actions, but merely reporting performance over the last year.

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.

Conclusions

The overall return on the Council's investments was below budget in 2020/21 by more than £220,000 but the percentage return exceeded the recognised benchmarks. Inflation continues to outpace investment returns, leading to the gradual erosion of capital in real terms.

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

Appendices

Appendix A - Investment portfolio at start and end of financial year

Appendix B - Analysis of investment portfolio by maturity and repayment due dates

Appendix C - Investment performance in 2020/21

Background Papers

[Treasury Management Strategy for 2020/21 - Council 25 February 2020](#)

Adrian Rowbotham
Deputy Chief Executive and Chief Officer Finance & Trading

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SEVENOAKS DISTRICT COUNCIL

List of Investments as at:- 31-Mar-20

Reference	Name	Rating	Country	Group	Amount	Start Date	Comm Rate	End Date	Curr Rate	Terms	Broker
	Barclays Bank plc (Business Premium A/C)	A+	U.K.		2,203,690	01-Oct-11			0.55000%	Variable	Direct
	Svenska Handelsbanken AB (Deposit A/C)	AA	Sweden		0	23-Jul-14			0.40000%	Variable	Direct
	Svenska Handelsbanken AB (35 Day Notice A/C)	AA	Sweden		0	01-Sep-16			0.50000%	Variable	Direct
	Aberdeen Standard Liquidity Fund (Money Market Fund)	AAA	U.K.		800,000	11-May-12				Variable	Direct
	Insight Liquidity Fund (Money Market Fund)	AAA	U.K.		100,000	11-May-12				Variable	Direct
	BlackRock Liquidity Fund (Money Market Fund)	AAA	U.K.		100,000	13-Oct-16				Variable	Direct
	CCLA Public Sector Deposit Fund (Money Market Fund)	AAA	U.K.		2,200,000	08-Oct-18				Variable	Direct
IP1357	Bank of Scotland plc	A+	U.K.	Lloyds/HBOS	1,000,000	09-Aug-17	0.45000%	14-Jun-20	0.45000%	95 Day Notice	Direct
IP1414	Goldman Sachs International Bank	A	U.K.		3,000,000	15-Nov-19	0.93000%	15-May-20		6 Months	Tradition
IP1374	Lloyds Bank plc	A+	U.K.	Lloyds/HBOS	1,000,000	05-Jan-18	0.70000%	14-Jun-20	0.45000%	95 Day Notice	Direct
IP1410	Newcastle Building Society		U.K.		2,000,000	22-Jul-19	1.27000%	20-Jul-20		1 Year	Tradition
IP1409	Newcastle Building Society		U.K.		1,000,000	31-Jul-19	1.30000%	31-Jul-20		1 Year	R P Martin
IP1416	Thurrock Borough Council		U.K.		3,000,000	31-Jan-20	0.92000%	31-Jul-20		6 Months	R P Martin
	Total Invested				<u>16,403,690</u>						
	Other Loans										
	Sevenoaks Leisure Limited				538,115	02-Mar-18	6.00000%	02-Mar-28		10 Years	Direct

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SEVENOAKS DISTRICT COUNCIL
ANALYSIS OF INVESTMENT POOL FUND 31.3.2021

MATURITY PROFILE (BY VALUE)

BASED ON PERIOD OF INVESTMENT AT COMMENCEMENT DATE

MATURITY PERIOD	BANKS £'000	B.SOCS £'000	MMFS £'000	OTHER LAs £'000	TOTAL £'000
NOTICE MONEY	2,250	-	4,800	-	7,050
UP TO 1 MONTH	-	-	-	-	-
1 TO 3 MONTHS	-	-	-	-	-
3 TO 6 MONTHS	-	-	-	-	-
6 MONTHS TO 1 YEAR	2,000	2,000	-	-	4,000
OVER 1 YEAR	-	-	-	-	-
	4,250	2,000	4,800	-	11,050

MATURITY PROFILE (PERCENTAGE OF TOTAL FUND)

BASED ON PERIOD OF INVESTMENT AT COMMENCEMENT DATE

MATURITY PERIOD	BANKS %	B.SOCS %	MMFS %	OTHER LAs %	TOTAL %
NOTICE MONEY	20.4	-	43.4	-	63.8
UP TO 1 MONTH	-	-	-	-	-
1 TO 3 MONTHS	-	-	-	-	-
3 TO 6 MONTHS	-	-	-	-	-
6 MONTHS TO 1 YEAR	18.1	18.1	-	-	36.2
OVER 1 YEAR	-	-	-	-	-
	38.5	18.1	43.4	-	100.0

PROFILE OF REPAYMENTS DUE

	VALUE £'000	% TOTAL FUND
NOTICE MONEY	7,050	63.8
DUE WITHIN ONE MONTH	2,000	18.1
DUE WITHIN TWO MONTHS	-	-
DUE WITHIN THREE MONTHS	-	-
DUE WITHIN SIX MONTHS	2,000	18.1
DUE WITHIN ONE YEAR	-	-
DUE AFTER ONE YEAR	-	-
	11,050	100.0

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TOTAL INTEREST ON FUND 2020/2021	Apr-20	Apr-20	Apr-20	May-20	May-20	May-20	Jun-20	Jun-20	Jun-20
Broker/Institution	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Handelsbanken (Deposit A/C)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Handelsbanken (35 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Aberdeen Standard (Money Market Fund)	336,986.30	1,371.76	0.4071%	161,643.84	785.04	0.4857%	287,123.29	796.45	0.2774%
Insight (Money Market Fund)	324,657.53	768.54	0.2367%	121,917.81	262.95	0.2157%	170,136.99	239.33	0.1407%
BlackRock (Money Market Fund)	324,657.53	1,013.92	0.3123%	135,616.44	335.88	0.2477%	207,945.21	427.27	0.2055%
CCLA (Money Market Fund)	404,109.59	1,578.30	0.3906%	212,328.77	719.57	0.3389%	205,479.45	620.31	0.3019%
Tradition	410,958.90	4,380.82	1.0660%	375,342.47	3,724.66	0.9923%	493,150.68	3,690.41	0.7483%
RP Martin	328,767.12	3,336.99	1.0150%	339,726.03	3,448.22	1.0150%	410,958.90	3,624.66	0.8820%
Sterling	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Direct dealing	164,383.56	739.72	0.4500%	169,863.01	764.38	0.4500%	82,191.78	1,247.32	1.5176%
Fund Average	2,294,520.55	13,190.05	0.5748%	1,516,438.36	10,040.70	0.6621%	1,856,986.30	10,645.75	0.5733%
Other Interest		0.00			0.00			73.70	
7 Day LIBID			-0.0200%			-0.0500%			-0.0700%
3 Month LIBID			0.5200%			0.2100%			0.0600%

	Jul-20	Jul-20	Jul-20	Aug-20	Aug-20	Aug-20	Sep-20	Sep-20	Sep-20
Broker/Institution	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Handelsbanken (Deposit A/C)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Handelsbanken (35 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Aberdeen Standard (Money Market Fund)	327,123.29	579.49	0.1771%	244,931.51	330.19	0.1348%	200,273.97	184.77	0.0923%
Insight (Money Market Fund)	91,780.82	59.04	0.0643%	74,794.52	8.11	0.0108%	41,095.89	4.10	0.0100%
BlackRock (Money Market Fund)	168,219.18	231.56	0.1377%	143,835.62	65.62	0.0456%	111,780.82	14.93	0.0134%
CCLA (Money Market Fund)	228,767.12	456.28	0.1995%	282,191.78	376.12	0.1333%	230,958.90	315.82	0.1367%
Tradition	594,520.55	3,469.86	0.5836%	594,520.55	2,522.47	0.4243%	701,369.86	3,449.32	0.4918%
RP Martin	509,589.04	3,967.40	0.7785%	509,589.04	1,707.12	0.3350%	493,150.68	1,635.62	0.3317%
Sterling	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Direct dealing	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Fund Average	1,920,000.00	8,763.63	0.4564%	1,849,863.01	5,009.63	0.2708%	1,778,630.14	5,604.55	0.3151%
Other Interest		-2.39			0.00			7.16	
7 Day LIBID			-0.0600%			-0.0700%			-0.0700%
3 Month LIBID			-0.0300%			-0.0500%			-0.0600%

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Broker/Institution	Oct-20			Nov-20			Dec-20		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Handelsbanken (Deposit A/C)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Handelsbanken (35 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Aberdeen Standard (Money Market Fund)	201,917.81	129.31	0.0640%	264,383.56	112.52	0.0426%	387,123.29	72.76	0.0188%
Insight (Money Market Fund)	8,493.15	0.85	0.0100%	62,465.75	6.23	0.0100%	128,219.18	12.59	0.0098%
BlackRock (Money Market Fund)	115,616.44	11.56	0.0100%	118,082.19	11.81	0.0100%	195,616.44	8.19	0.0042%
CCLA (Money Market Fund)	192,602.74	170.80	0.0887%	315,342.47	186.94	0.0593%	424,657.53	219.66	0.0517%
Tradition	764,383.56	3,881.37	0.5078%	739,726.03	3,460.27	0.4678%	676,712.33	2,471.78	0.3653%
RP Martin	509,589.04	1,673.15	0.3283%	493,150.68	1,619.18	0.3283%	509,589.04	1,673.15	0.3283%
Sterling	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Direct dealing	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Fund Average	1,792,602.74	5,867.04	0.3273%	1,993,150.68	5,396.95	0.2708%	2,321,917.81	4,458.13	0.1920%
Other Interest		0.00			0.00			25.39	
7 Day LIBID			-0.0800%			-0.0800%			-0.0900%
3 Month LIBID			-0.0800%			-0.0800%			-0.0900%

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Broker/Institution	Jan-21			Feb-21			Mar-21		
	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate	W.A.P	Interest Due	Ave Rate
Handelsbanken (Deposit A/C)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Handelsbanken (35 Day Notice)	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Aberdeen Standard (Money Market Fund)	339,726.03	33.98	0.0100%	232,054.79	23.21	0.0100%	8,493.15	0.85	0.0100%
Insight (Money Market Fund)	240,273.97	0.00	0.0000%	99,726.03	0.00	0.0000%	8,493.15	0.00	0.0000%
BlackRock (Money Market Fund)	327,397.26	0.00	0.0000%	245,753.42	0.00	0.0000%	8,493.15	0.57	0.0067%
CCLA (Money Market Fund)	424,657.53	154.08	0.0363%	373,972.60	149.87	0.0401%	382,191.78	175.57	0.0459%
Tradition	594,520.55	2,225.21	0.3743%	536,986.30	2,009.86	0.3743%	512,328.77	2,143.01	0.4183%
RP Martin	501,369.86	1,646.85	0.3285%	358,904.11	1,184.38	0.3300%	115,068.49	379.73	0.3300%
Sterling	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Direct dealing	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	0.0000%
Fund Average	2,427,945.21	4,060.11	0.1672%	1,847,397.26	3,367.33	0.1823%	1,035,068.49	2,699.73	0.2608%
Other Interest		0.00			0.00			69.04	
7 Day LIBID			-0.0900%			-0.0900%			-0.0800%
3 Month LIBID			-0.0900%			-0.0600%			-0.0400%

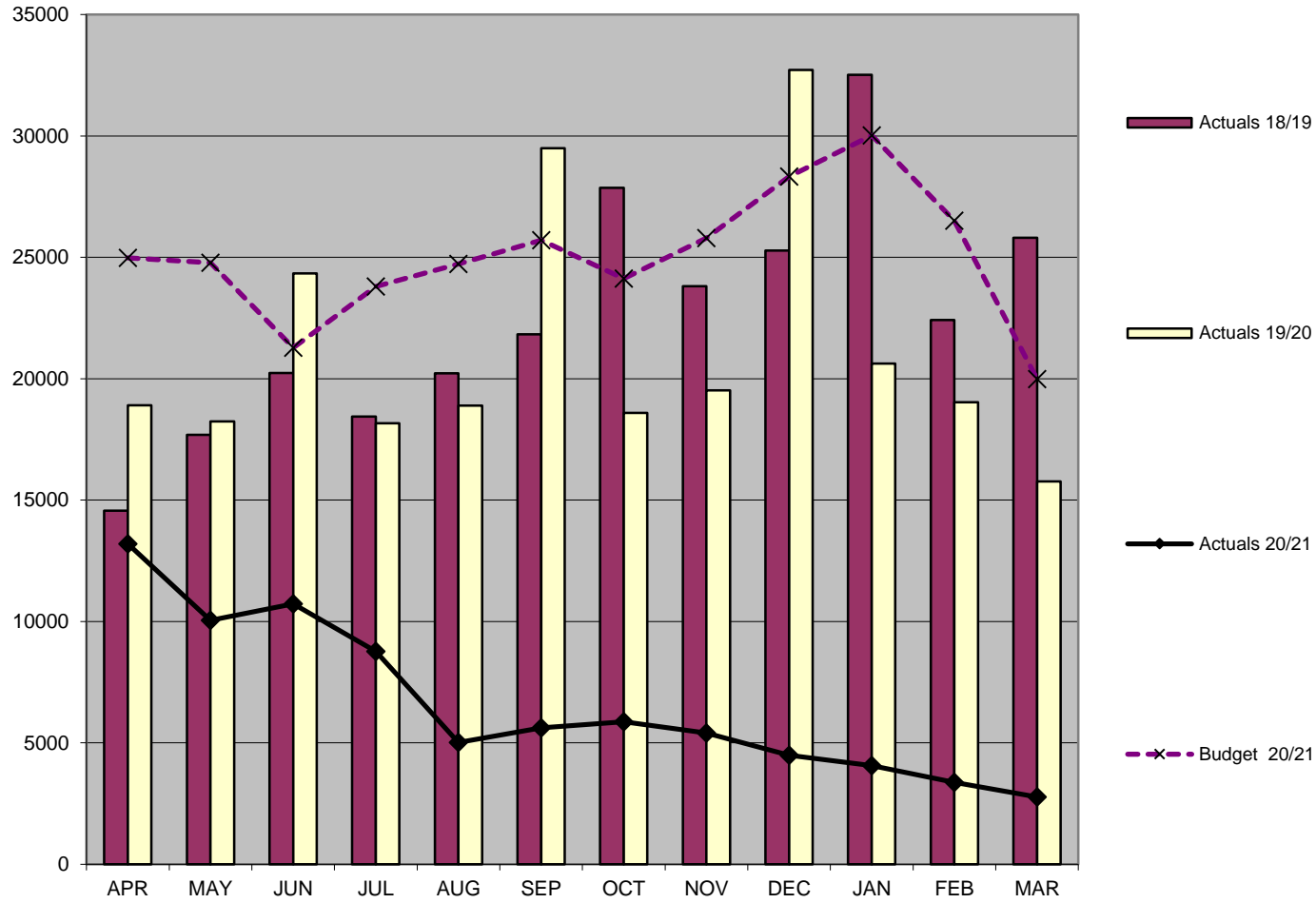
<u>Broker/Institution - Cumulative Totals</u>	W.A.P	Interest Due	Ave Rate
Handelsbanken (Deposit A/C)	0.00	0.00	0.0000%
Handelsbanken (35 Day Notice)	0.00	0.00	0.0000%
Aberdeen Standard (Money Market Fund)	2,991,780.82	4,420.33	0.1477%
Insight (Money Market Fund)	1,372,054.79	1,361.74	0.0992%
BlackRock (Money Market Fund)	2,103,013.70	2,121.31	0.1009%
CCLA (Money Market Fund)	3,677,260.27	5,123.32	0.1393%
Tradition	6,994,520.55	37,429.04	0.5351%
RP Martin	5,079,452.05	25,896.44	0.5098%
Sterling	0.00	0.00	0.0000%
Direct dealing	416,438.36	2,751.42	0.6607%
Fund Average	22,634,520.55	79,103.60	0.3495%
Other Interest		172.90	
7 Day LIBID			-0.0708%
3 Month LIBID			0.0175%

These are the gross interest receipts rather than the interest remaining in the General Fund

N.B.

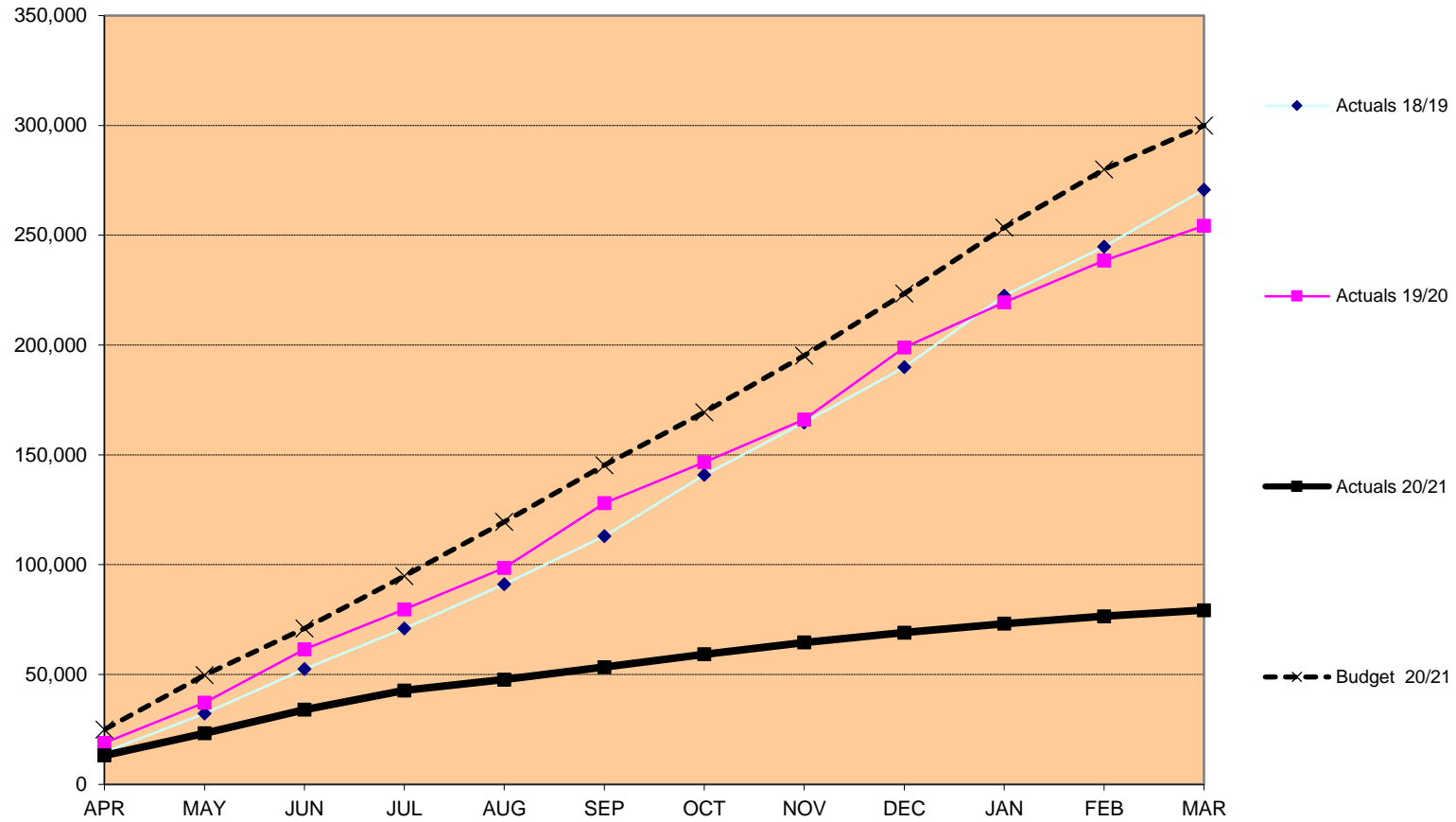
INVESTMENT RETURNS	Actuals 18/19	Actuals 19/20	Actuals 20/21	Budget 20/21	Variance
APR	14,566	18,908	13,190	24,977	-11,787
MAY	17,690	18,243	10,041	24,770	-14,729
JUN	20,233	24,341	10,719	21,274	-10,555
JUL	18,443	18,166	8,761	23,790	-15,029
AUG	20,224	18,891	5,010	24,730	-19,720
SEP	21,831	29,495	5,612	25,700	-20,088
OCT	27,864	18,586	5,867	24,127	-18,260
NOV	23,808	19,520	5,397	25,789	-20,392
DEC	25,281	32,723	4,484	28,331	-23,847
JAN	32,513	20,620	4,060	30,020	-25,960
FEB	22,411	19,034	3,367	26,511	-23,144
MAR	25,803	15,768	2,769	19,981	-17,212
Total	270,667	254,295	79,277	300,000	-220,723

INVESTMENT RETURNS



INVESTMENT RETURNS (CUMULATIVE)	Actuals 18/19	Actuals 19/20	Actuals 20/21	Budget 20/21	Variance
APR	14,566	18,908	13,190	24,977	-11,787
MAY	32,256	37,151	23,231	49,747	-26,516
JUN	52,489	61,492	33,950	71,021	-37,071
JUL	70,932	79,658	42,711	94,811	-52,100
AUG	91,156	98,549	47,721	119,541	-71,820
SEP	112,987	128,044	53,333	145,241	-91,908
OCT	140,851	146,630	59,200	169,368	-110,168
NOV	164,659	166,150	64,597	195,157	-130,560
DEC	189,940	198,873	69,081	223,488	-154,407
JAN	222,453	219,493	73,141	253,508	-180,367
FEB	244,864	238,527	76,508	280,019	-203,511
MAR	270,667	254,295	79,277	300,000	-220,723

CUMULATIVE INVESTMENT RETURNS



BUDGET FOR 2020/21	300,000
FORECAST OUTTURN	79,300

CODE:-	YHAA	96900
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N.B.
**These are the gross interest receipts rather than
the interest remaining in the General Fund**

Fund Average	0.3495%
7 Day LIBID	-0.0708%
3 Month LIBID	0.0175%

FINANCIAL PERFORMANCE INDICATORS 2021/22 - TO THE END OF JUNE 2021

Finance & Investment Advisory Committee - 9 September 2021

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

Status: For Consideration

Key Decision: No

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

This report supports the Key Aim of:

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Alan Mitchell, Ext. 7483

Adrian Rowbotham, Ext. 7153

Recommendation to Finance & Investment Advisory Committee:

That the report be noted

Reason for recommendation:

This recommendation support the sound control of the Council's finances

Introduction and Background

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

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement.

There are no legal or human rights issues.

Equality Assessment

Agenda Item 7

the substance of the Equality Act. There is no perceived impact on end users.

Appendices


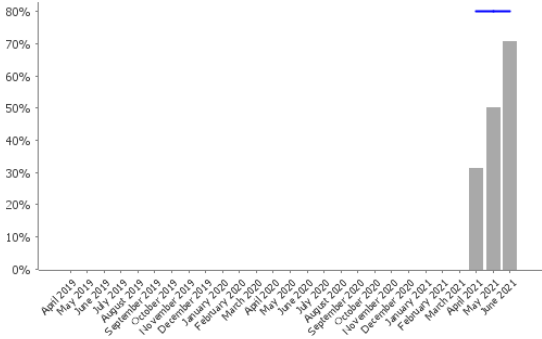

Appendix A - Performance Indicators


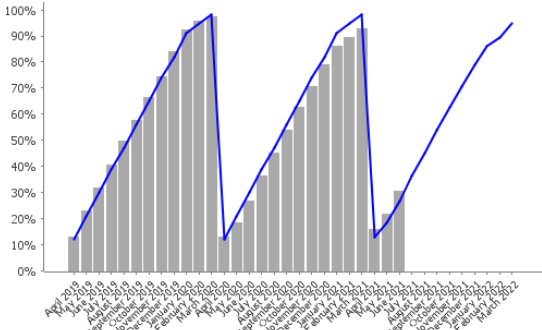

Background Papers


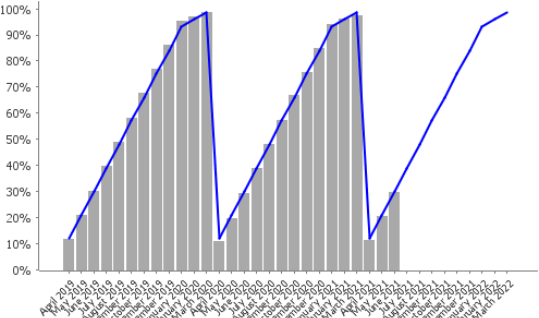


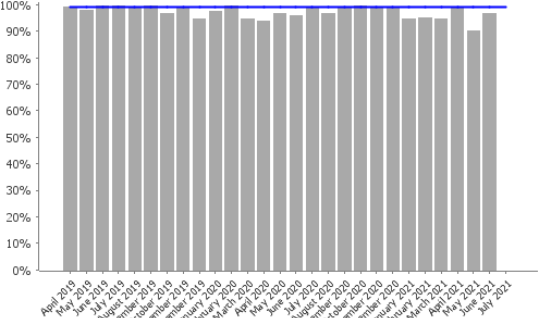


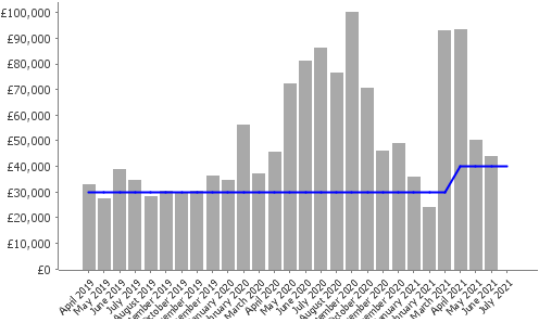

None

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


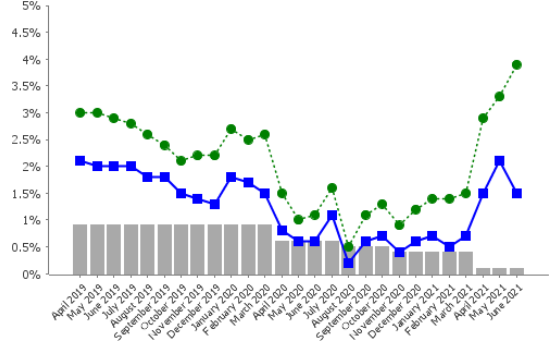
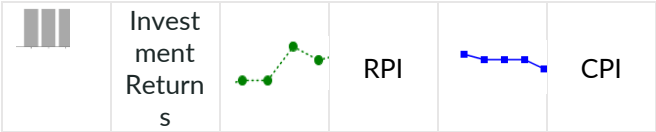

Finance & Investment Advisory Committee - Performance report

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2021/22	Year to Date Target 2021/22	Year to Date Status	Commentary
Page 41 LPI_IA 1a	Sevenoaks: Audit actions fully implemented within agreed timescales	70.59%	80%			57.14%	80%		<p>The KPI for 2021/22 more appropriately reflects implementation of actions and risks that remain insufficiently mitigated.</p> <p>If responsible officers ask to defer implementation from the agreed date, these actions are now included in the 'not implemented' figures. As a result, the figures are lower than last year. We are working with</p>

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2021/22	Year to Date Target 2021/22	Year to Date Status	Commentary
									SMT and managers to improve the implementation of actions by, for example, introducing a more robust approval process for the deferral of 'High' and 'Medium' priority actions. There has been a month by month improvement in the first three months of the year.
LPI_BR 04	The percentage of business rates collected in-year (Cumulative)	30.6%	26.7%			30.6%	26.7%		

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2021/22	Year to Date Target 2021/22	Year to Date Status	Commentary
LPI_CT 04	The percentage of council tax collected in-year (cumulative)	29.7%	30%			29.7%	30%		
LPI_FS 01	The percentage of undisputed invoices paid within 30 days or agreed terms	96.56%	99%			94.98%	99%		
LPI_FS 003	Sundry debts outstanding more than 61 days	£43,837	£40,000			£43,837	£40,000		

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2021/22	Year to Date Target 2021/22	Year to Date Status	Commentary
LPI_HB 02	Average number of days to process a new claim for Housing Benefit (Monthly)	16	23	🟢		16	23	🟢	
LPI_HB 04	Average number of days to process a change in circumstances for Housing Benefit (monthly)	9	9	🟢		7	9	🟢	
TM FS 01	Treasury Management - Actual vs Budget + Forecast	£3,549	£47,077	🔴		£3,549	£47,077	🔴	

Code	Description	Current Value	Current Target	Current Status	Performance Chart	Year to Date Value 2021/22	Year to Date Target 2021/22	Year to Date Status	Commentary
TM FS 02	Treasury Management - Investment returns vs RPI vs CPI	0.1%	1.5%		 	0.1%	1.5%		

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FINANCIAL RESULTS 2021/22 - TO THE END OF JUNE 2021

Finance & Investment Advisory Committee - 7 September 2021

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

Status: For Consideration

Also considered by: Cabinet - 16 September 2021

Key Decision: No

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

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Alan Mitchell, Ext. 7483

Adrian Rowbotham, Ext 7153

Recommendation to Finance & Investment Advisory Committee:

That the report be noted, and any comments forward to Cabinet.

Recommendation to Cabinet:

That Cabinet considers any comments from Finance & Investment Advisory Committee and notes the report.

Reason for recommendation: Sound financial governance of the Council.

Introduction and Background

- 1 The year-end position at the end of June 21 was forecast to be an unfavourable variance of £0.246m which represents 1.4% of our net service budget totalling £17.015m.
- 2 During September 2020 the Government issued the first COVID-19 Sales, Fees and Charges Compensation Scheme as part of the Governments COVID-19 support. The scheme was due to be limited to 2020/21 but has been extended to the first quarter for 2021/22. It is anticipated that the compensation for this additional claim will be approximately £350,000.

Year to Date - Areas of Note

- 3 This being the first quarter of the 2021/22 financial year there are a limited amount of areas of note as budget holders in the main are still anticipating to be within budget.
- 4 The financial impact of Pay costs - the expenditure to date on staff costs is £193,000 below budget. There are currently vacancies within Direct services, licencing and revenue & Benefits. However, some of these, in particular Direct Services are currently being filled by agency staff and Planning. The impact of salary variances are included within the Chief Officer

Agenda Item 8

commentaries.

- 5 The 2021/22 pay award is still under discussion and therefore no increase has yet been paid. The latest offer is 1.75% and the budget assumption is at 2%.
- 6 Income - the Council receives a number of different income streams to help balance the budget; section 8 of the monitoring pack provides details in relation to the main streams. At the end of June, income as detailed within the report is still below budget in some areas such as Car Parks, Taxi licensing and Land charges but other areas such as Planning - Development Management and Building Control are ahead of budget.
- 7 Investment Returns - the return to date on the treasury management investments held by the Council is lower than budget with interest received totalling £5,000 compared to a budget of £47,000 for the year to date. This is due to a number of factors. Firstly, the current interest rate on investments remains very low, secondly the available cash which we can invest is greatly reduced from previous years due to the funding of capital programme and Quercus 7 acquisitions and also COVID-19. The interest due from Quercus 7 is due to be in excess of £200,000 this year.
- 8 Council Tax - collection is expected to be at about the budgeted level which was reduced for the current year due to the impact of COVID-19.
- 9 Retained Business Rates - Income expectation of £2.182m forms part of the 2021/22 budget; any receipts over and above this amount, including those that result from being a beneficiary of the Kent Business Rates Pool, will be transferred to the Budget Stabilisation Reserve. The full year Forecast for the additional funds is £405,000. Regular monitoring takes place, with any amendments feeding into the outturn forecasts.

Year End Forecast

- 10 The year-end forecast position is an unfavourable variance of £0.246m (including the Covid-19 Sales, Fees and Charges Compensation Scheme) . In paragraphs 11 to 20 there are details of the larger variances, both favourable and unfavourable.

Net Service Expenditure - Favourable Variances

- 11 Within Miscellaneous Finance the forecasted favourable variance £350,000 which is the expected first quarter claim for the Covid-19 Sales, Fees and Charges Compensation Scheme and is offsetting additional costs incurred in other areas.

Net Service Expenditure - Unfavourable Variances

- 12 Homeless is forecasting an adverse variance of £300,000 which is the additional cost being incurred relating to an increased number of people being put in temporary accommodation and the cost of that accommodation versus the recovery from Government . The homelessness funding is currently being reviewed in order to fund the programme in future years.
- 13 Local Tax is forecasting an unfavourable variance of £100,000 due enforcement income being lower than budget expectations. In addition, the levels of fee recovery are low as a result of COVID-19.

Other Variances

- 14 Interest Receipts - current levels of investment returns and possible rates going forward, along with reduced cash levels due to ongoing loss of income, have resulted in an unfavourable variance of £150,000 being forecast.
- 15 Investment Property Income - The majority of properties held within the Property Investment Strategy continue to achieve the income levels predicted. Due to a tenant going into administration as a result of COVID-19 a single property has not produced income in line with budget and this loss of income is reflected in the unfavourable variance of £79,000.

Future Issues and Risk Areas

- 16 Chief Officers have considered the future issues and risk areas for their services and the impacts these may have on the Council's finances as follows:
 - Ongoing impact of COVID-19 on the leisure industry and Council owned leisure facilities - consultancy review completed.
 - There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts.
 - Within Development & Conservation recruiting to vacant posts continues to be difficult.
 - The financial impact of proposed changes to the Planning System will need to be carefully considered.
 - COVID-19 continues to affect the entire authority and is being closely monitored. As part of the 10-year budget process the expected financial impacts will continue to be reviewed.
 - Car parking customer numbers are increasing but it is uncertain what the impact will be for the rest of the year especially if there are further lockdowns.
 - Additional staffing costs for Direct Services are possible if a number of staff self-isolate as the intention is to continue at normal service levels wherever possible.
 - Ongoing Temporary Accommodation (TA) costs within the district due to increases in homelessness. All Covid-19 placements ended on 30 June 2021 and a TA Charging Policy came into effect from 1 August.
 - The likely effect of the Government's Income Compensation scheme is included elsewhere in this report.
 - IT Asset Maintenance spend as per 10-year plan resulting in draw down from reserves in current year.

Agenda Item 8

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.

Appendices

Appendix A - June 2021 Budget Monitoring Commentary

Appendix B - June 2021 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 June 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Contain Outbreak Management F	0	-35	-35			0	External funding received in advance from Kent County Council towards COVID-19 recovery projects.
Grants to Organisations	164	58	-106			0	Both Citizens Advice branches are yet to sign their Service Level Agreement to enable the release of funding.
Leisure Contract	21	6	-14			0	Waiting for Sencio to sign annual contract in order to release first tranche of funding.
Local Strategic Partnership	0	12	12			0	The LSP Community Wellbeing Fund supports Covid-19 related priorities and will be funded through the relevant reserve.
Partnership - Home Office	-26	3	29			0	External funding from Kent Police and Crime Commissioner - community safety project spend.
Tourism	18	-80	-98			0	Grants received ahead of spend.
West Kent Enterprise Advisor Network	0	15	15			0	Spend ahead of grant claim.
West Kent Partnership	-23	-43	-20			0	Grants received ahead of spend.
Future Issues/Risk Areas	Ongoing impact of COVID-19 on the leisure industry and Council owned leisure facilities - consultancy review completed.						

	Budget to Date £'000	Actual to end of June 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Development and Conservation							
Building Control Partnership Hub (SDC Costs)	102	119	17			0	Temporary overspend due to partnership decoupling.
Building Control	-32	-67	-35			0	Over recovery of income in fees.
Planning Policy	120	110	-10			0	Lower levels of grant funding paid out than budgeted for.
Planning - Development Management	-12	-33	-21			0	Small number of high fee applications in first quarter in addition to a uplift in general case numbers.
Planning - Enforcement	77	90	14			0	Additional investment in the delivery of the service.
Planning Performance Agreement	0	12	12			0	PPA are reinvested in the delivery of the service.
Administrative Expenses - Planning Services	9	34	25			0	Education and training costs recharged at year end.
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.						

	Budget to Date £'000	Actual to end of June 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Finance and Investments							
Asset Maintenance Direct Services	10	69	58			0	Overspend due to depot refurbishment works.
Benefits Admin	-182	-373	-191			0	Additional New Burdens funding received that was un budgeted for. Potential need of transfer to a holding account.
Dartford Rev&Ben Partnership Hub (SDC costs)	518	382	-136			0	Invoicing for IT software yet to be realised (Roughly -100k) in addition to surplus grant income currently received (-40k).
Dartford Audit Partnership Hub (SDC Costs)	56	46	-10			0	Underspend due to vacancy.
Local Tax	-149	-36	113		100	100	Variance due to Enforcement Income not in line with budgetted expectation (25k) as highlighted in High level Commentary. Current Fee recovery levels are low as a result of COVID Impact. These levels are expected to rise and be closer to normal levels by year end.
Misc. Finance	293	-461	-754	-350		-350	Covid-19 grants received at the start of the year. This will offset spend on this and other lines. Over-recovery compared to budget expected due to income compensation scheme.
Treasury Management	29	42	13			0	Current overspend due to credit card bill to be charged to other codes.
Future Issues/Risk Areas	Covid-19 continues to have a potential impact on income levels and expenditure.						

	Budget to Date £'000	Actual to June 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Cleaner & Greener							
Cleaner and Greener							
Asset Maintenance Argyle Road	20	5	-15			0	Spend currently behind profile. Planned works mean there is no variance projected at year end.
Asset Maintenance Other Corporate Properties	9	38	29			0	Urgent works to Fircroft residents association hall.
Asset Maintenance Hever Road	10	25	15			0	Urgent repair works required pushing spend ahead of profile.
Bus Station	10	11	2			0	
Car Parks	-270	20	290			0	Parking income is currently behind profile. As restrictions lift monthly income is improving and it is anticipated it will recover to the level of the budget by year end.
Civil Protection	15	9	-6			0	
Dartford Environmental Hub (SDC Costs)	180	164	-16			0	Underspend due to vacancy.
EH Commercial	71	78	7			0	
EH Animal Control	9	-1	-10			0	Awaiting invoicing that has not yet come through.
Emergency	20	17	-4			0	
Parking Enforcement - Tandridge DC	-10	-50	-40			0	Income collected on behalf of Tandridge to be paid over.
Housing Premises	-8	-14	-6			0	
Kent Resource Partnership	84	38	-45			0	Funding received ahead of expenditure. The Kent Resource Partnership is transferring to Kent County Council. All balances will be transferred leaving no variance at year end.
Markets	-50	-57	-6			0	
Public Transport Support	0	0	-0			0	
Administrative Expenses - Transport	1	1	-0			0	
Street Cleansing	388	342	-46			0	Binfastructure Grant received ahead of spend.
Support - Central Offices	325	304	-21			0	Spend currently behind profile. Planned works mean there is no variance projected at year end.
Support - Health and Safety	2	0	-2			0	
Support - Direct Services	12	23	12			0	Overspend against profile on training and staff advertising relating to the restructure.
Future Issues/Risk Areas: Potential staff salary budget pressure due to staff absences.							

	Budget to Date £'000	Actual to June 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k
Housing and Health							
Contain Outbreak Management Fund 2021/22	0	-107	-107				External funding received in advance from Kent County Council towards COVID-19 recovery projects.
Homeless	105	165	60		300		Demand for temporary/emergency accommodation saw an increase as a result of eviction ban being lifted and homeless approaches increasing.
Housing	65	19	-46				Staff underspend relating to vacant Housing Strategy Manager and Housing Team Leader posts and as mentioned above, Citizens Advice SLA remaining unsigned.
Housing Pathway Co-ordinator	0	-25	-25				External funding received from MHCLG towards Rough Sleeper Initiative (staffing cost, post currently vacant and being recruited to).
Homelessness Prevention	0	21	21				Government's Everyone In Policy and the recent lift of the eviction ban has created unplanned expenditure for the year. This is being reviewed on an ongoing basis and the overspend will need to be offset and funded from either Govt grant, other external grants or central reserves.
Rough Sleepers Initiative (4)	-22	-72	-50				External funding received in advance from MHCLG towards Rough Sleeper Initiative.
Choosing Health WK PCT	0	-23	-23				External funding received in advance from Kent Public Health on a quarterly basis. This will be offset by staff salaries and spent in quarter.
Homelessness Funding	-428	-418	10				External funding from MHCLG Homelessness Prevention Grant - staff related spend.
Future Issues/Risk Areas							Ongoing Temporary Accommodation costs within the district due to increases in homelessness. Recruitment to vacant posts being completed, all Covid-19 placements to end on 30 June 2021 and a TA Charging Policy to come into effect from 1 August.

	Budget to Date £'000	Actual to June 21 £'000	Variance to date £'000	Annual Forecast Variance due to COVID-19 £'000	Annual Forecast Variance due to other factors £'000	Total Annual Forecast Variance £'000	Explanation for year end variances greater than £10k (starred items)
Improvement and Innovation							
Asset Maintenance IT	74	115	41			0	Spend as per Asset Maintenance Plan
Corporate - Other	-38	0	38			0	The savings made on vacant posts are currently lower than the budget profiled for the year to date. Request to Recruit forms are still to be processed.
Economic Development Property	121	96	-25			0	Underspend due to vacancies.
Elections	21	93	72			0	Current overspend due to income outstanding relating to the PCC, KCC and District Elections. PCC and KCC accounts have not been submitted to the KCC and the government's Elections Claims Unit. All election staff have been paid.
External Communications	52	39	-13		-10	-10	The current variance is due to a delay in the receipt of invoices for the production and dispatch of InShape magazine.
Members	118	104	-14			0	Members allowances lower than budgeted levels due to changes in roles as only one Special Responsibility Allowance is payable.
Support - Contact Centre	216	195	-20			0	Current underspend due to staffing changes currently under review.
Support - General Admin (Print Shop)	-3	-15	-12			0	Underspend due to reduction in staffing and overtime costs.
Future Issues/Risk Areas							IT Asset Maintenance spend as per 10 year plan resulting in draw down from reserves in current year.

APPENDIX B

Position as at the end of June 2021	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast (including Accruals) £'000	Annual Variance £'000	Annual Variance %
People and Places	(15)	591	591	0	0.0
Development and Conservation	344	958	958	0	0.0
Finance and Investments	(34)	3,095	2,845	(250)	(8.1)
Cleaner and Greener	2,426	5,718	5,730	12	0.2
Housing and Health	(289)	988	1,288	300	30.4
Improvement and Innovation	1,612	5,666	5,604	(62)	(1.1)
Services Total	4,043	17,015	17,015	0	0.0
Adjustments to Reconcile to amount to be met from reserves: Capital Charges outside the General Fund	(15)	(60)	(60)	0	0.0
Adjustments to Reconcile to amount to be met from reserves: Support Services outside the General Fund	(43)	(172)	(172)	0	0.0
NET SERVICE EXPENDITURE	3,985	16,783	16,783	0	0.0
New Homes Bonus	(289)	(1,155)	(1,155)	0	0.0
Retained Business Rates	(546)	(2,182)	(2,587)	(405)	(18.6)
Council Tax	(2,861)	(11,443)	(11,443)	0	(0.0)
Contribution from Collection Fund	4	17	17	0	0.0
Council Tax	0	(245)	(245)		
Local Council Tax Support (LCTS)	0	(98)	(98)		
Summary excluding Investment Income	294	1,677	1,272	(405)	(24.1)
Investment Property Income	(238)	(1,372)	(1,293)	79	5.8
Interest Receipts	(5)	(188)	(21)	167	(88.8)
OVERALL TOTAL	51	117	(42)	(159)	(136.2)
Planned Appropriation to/(from) Reserves	(404)	(1,615)	(1,615)	0	
Other Reserve Movements	0	1,498	1,903	405	
Supplementary Estimates	0	0	0	0	
(Surplus)/Deficit	(353)	(0)	246	246	

Appendix B : Summary by Service

APPENDIX B

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
People & Places SDC Funded							
All Weather Pitch	(1)	(1)	(0)	(5)	-	(5)	-
Community Safety	37	40	(3)	160	-	160	-
Community Development Service Provisions	(3)	(6)	3	(6)	-	(6)	-
The Community Plan	8	5	3	21	-	21	-
Grants to Organisations	58	164	(106)	185	-	185	-
Leisure Contract	6	21	(14)	112	-	112	-
Leisure Development	-	5	(5)	21	-	21	-
Administrative Expenses - Communities & Business	7	5	3	22	-	22	-
Tourism	(80)	18	(98)	30	-	30	-
West Kent Partnership	(43)	(23)	(20)	-	-	-	-
Youth	7	12	(6)	50	-	50	-
Total People & Places SDC Funded	(3)	240	(243)	591	-	591	-

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
People & Places Externally Funded							
Compliance & Enforcement	(6)	-	(6)	-	-	-	-
Contain Outbreak Management Fund 2021/22	(35)	-	(35)	-	-	-	-
Local Strategic Partnership	12	-	12	-	-	-	-
Partnership - Home Office	3	(26)	29	-	-	-	-
Police & Crime Commissioners (PCCs)	(3)	-	(3)	-	-	-	-
Community Sports Activation Fund	7	-	7	-	-	-	-
West Kent Enterprise Advisor Network	15	0	15	-	-	-	-
West Kent Kick Start	(3)	-	(3)	-	-	-	-
West Kent Partnership Business Support	(2)	-	(2)	-	-	-	-
People & Places Externally Funded	(12)	(26)	14	-	-	-	-
Total People & Places	(15)	213	(229)	591	-	591	-

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Development and Conservation							
Building Control Partnership Members	-	-	-	-	-	-	-
Building Control Partnership Hub (SDC Costs)	119	102	17	-	-	-	-
Building Control	(68)	(32)	(35)	(130)	-	(130)	-
Conservation	31	33	(1)	130	-	130	-
Dangerous Structures	-	1	(1)	3	-	3	-
Planning Policy	110	120	(10)	483	-	483	-
LDF Expenditure	1	-	1	-	-	-	-
Planning - Appeals	47	42	4	209	-	209	-
Planning - CIL Administration	-	9	(9)	(66)	-	(66)	-
Planning - Counter	-	(2)	2	(6)	-	(6)	-
Planning - Development Management	(33)	(12)	(21)	(33)	-	(33)	-
Planning - Enforcement	90	77	14	306	-	306	-
Planning Performance Agreement	12	-	12	-	-	-	-
Administrative Expenses - Building Control	0	3	(3)	12	-	12	-
Administrative Expenses - Planning Services	34	9	25	49	-	49	-
Total Development and Conservation	344	348	(4)	958	-	958	-

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance and Investments							
Asset Maintenance CCTV	-	5	(5)	18	-	18	-
Asset Maintenance Countryside	1	2	(2)	9	-	9	-
Asset Maintenance Direct Services	69	10	58	42	-	42	-
Asset Maintenance Playgrounds	0	4	(4)	16	-	16	-
Asset Maintenance Public Toilets	-	4	(4)	16	-	16	-
Benefits Admin	(373)	(182)	(191)	148	-	148	-
Benefits Grants	(6)	(6)	(0)	(25)	-	(25)	-
Dartford Rev&Ben Partnership Hub (SDC costs)	382	518	(136)	-	-	-	-
Dartford Audit Partnership Hub (SDC Costs)	46	56	(10)	-	-	-	-
Housing Advances	-	1	(1)	1	-	1	-
Local Tax	(36)	(149)	113	(85)	100	15	100
Misc. Finance	(461)	293	(754)	1,580	(350)	1,230	(350)
Administrative Expenses - Chief Executive	0	3	(3)	20	-	20	-
Administrative Expenses - Finance	12	17	(5)	26	-	26	-
Administrative Expenses - Revenues and Benefits	(0)	-	(0)	-	-	-	-
Administrative Expenses - Strategic Property	1	-	1	-	-	-	-
Support - Rev & Ben Control	56	56	(0)	224	-	224	-
Support - Counter Fraud	13	13	0	52	-	52	-
Support - Audit Function	50	50	(0)	201	-	201	-
Support - Exchequer and Procurement	40	37	3	158	-	158	-
Support - Finance Function	60	64	(4)	256	-	256	-
Support - Legal Function	56	65	(8)	259	-	259	-
Support - Procurement	-	2	(2)	7	-	7	-
Support - Property Function	14	13	1	52	-	52	-
Treasury Management	42	29	13	123	-	123	-
Total Finance and Investments	(34)	905	(940)	3,095	(250)	2,845	(250)

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cleaner and Greener							
Asset Maintenance Argyle Road	5	20	(15)	79	-	79	-
Asset Maintenance Other Corporate Properties	38	9	29	35	-	35	-
Asset Maintenance Hever Road	25	10	15	40	-	40	-
Asset Maintenance Leisure	72	47	25	190	-	190	-
Asset Maintenance Support & Salaries	20	23	(3)	138	-	138	-
Asset Maintenance Sewage Treatment Plants	-	2	(2)	9	-	9	-
Bus Station	11	10	2	8	-	8	-
Car Parks	20	(270)	290	(1,198)	-	(1,198)	-
CCTV	108	48	61	269	-	269	-
Civil Protection	9	15	(6)	49	-	49	-
Dartford Environmental Hub (SDC Costs)	164	180	(16)	-	-	-	-
Car Parking - On Street	(54)	(74)	20	(245)	-	(245)	-
EH Commercial	78	71	7	280	6	286	6
EH Animal Control	(1)	9	(10)	22	6	28	6
EH Environmental Protection	60	97	(37)	400	1	400	1
Emergency	17	20	(4)	81	-	81	-
Parking Enforcement - Tandridge DC	(50)	(10)	(40)	(39)	-	(39)	-
Estates Management - Buildings	82	37	45	(16)	-	(16)	-
Estates Management - Grounds	31	32	(1)	128	-	128	-
Housing Other Income	(4)	(4)	(0)	(14)	-	(14)	-
Housing Premises	(14)	(8)	(6)	16	-	16	-
Kent Resource Partnership	38	84	(45)	-	-	-	-
Licensing Partnership Hub (Trading)	64	6	58	-	-	-	-
Licensing Partnership Members	-	-	-	-	-	-	-
Licensing Regime	1	10	(9)	47	-	47	-
Asset Maintenance Operatives	2	1	1	5	-	5	-
Markets	(57)	(50)	(6)	(217)	-	(217)	-
Parks - Greensand Commons Project	37	-	37	-	-	-	-
Parks and Recreation Grounds	36	33	2	135	-	135	-
Parks - Rural	50	42	8	171	-	171	-

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cleaner and Greener	-	0	(0)	0	-	0	-
Public Transport Support	752	768	(16)	2,913	-	2,913	-
Refuse Collection	5	-	5	-	-	-	-
Administrative Expenses - Direct Services	0	1	(1)	5	-	5	-
Administrative Expenses - Health	0	2	(1)	7	-	7	-
Administrative Expenses - Licensing	2	1	1	3	-	3	-
Administrative Expenses - Property	1	1	(0)	7	-	7	-
Administrative Expenses - Transport	342	388	(46)	1,540	-	1,540	-
Street Cleansing	304	325	(21)	483	-	483	-
Support - Central Offices	53	67	(14)	279	-	279	-
Support - Central Offices - Facilities	-	1	(1)	5	-	5	-
Support - General Admin	44	53	(8)	219	-	219	-
Support - General Admin (Post/Scanning)	-	2	(2)	8	-	8	-
Support - Health and Safety	23	12	12	50	-	50	-
Support - Direct Services	88	(145)	233	(231)	-	(231)	-
Direct Services Trading account	3	3	0	11	-	11	-
Taxis	17	15	2	48	-	48	-
Public Conveniences	2,426	1,882	544	5,718	12	5,730	12
Total Cleaner and Greener							

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Contain Outbreak Management Fund 2021/22	(107)	-	(107)	-	-	-	-
Gypsy Sites	(4)	(3)	(1)	(10)	-	(10)	-
Health Improvements	12	12	0	48	-	48	-
Homeless	165	105	60	429	300	729	300
Housing Register	13	9	4	37	-	37	-
Disabled Facilities Grant Administration	-	-	-	(50)	-	(50)	-
Housing	19	65	(46)	186	-	186	-
Housing Initiatives	18	14	4	55	-	55	-
Next Steps Accommodation Programme	1	-	1	-	-	-	-
Housing Pathway Co-ordinator	(25)	-	(25)	-	-	-	-
Homelessness Prevention	21	-	21	-	-	-	-
Housing Energy Retraining Options (HERO)	27	33	(5)	130	-	130	-
Private Sector Housing	67	71	(4)	284	-	284	-
Rough Sleepers Initiative (4)	(72)	(20)	(52)	-	-	-	-
Administrative Expenses - Housing	2	-	2	-	-	-	-
One You - Your Home Project	0	-	0	-	-	-	-
Choosing Health WK PCT	(23)	0	(23)	-	-	-	-
PCT Health Checks	5	5	(0)	-	-	-	-
Homelessness Funding	(418)	(428)	10	(122)	-	(122)	-
PCT Initiatives	7	-	7	-	-	-	-
Total Housing and Health	(289)	(137)	(152)	988	300	1,288	300

Position as at the end of June 2021	Y-T-D Actual	Budget to Date	Variance	Annual Budget	Annual Forecast Variance	Annual Forecast (including Accruals)	Forecast Annual Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Improvement and Innovation	-	2	(2)	8	-	8	-
Action and Development	115	74	41	296	-	296	-
Asset Maintenance IT	16	16	(0)	17	-	17	-
Civic Expenses	-	-	-	4	-	4	-
Consultation and Surveys	241	248	(7)	1,146	(52)	1,094	(52)
Corporate Management	26	18	8	71	-	71	-
Corporate Projects	-	(38)	38	(9)	-	(9)	-
Corporate - Other	39	42	(3)	167	-	167	-
Democratic Services	26	22	3	38	-	38	-
Economic Development	96	121	(25)	442	-	442	-
Economic Development Property	93	21	72	125	-	125	-
Elections	39	52	(13)	222	(10)	212	(10)
External Communications	(22)	(30)	8	(118)	-	(118)	-
Land Charges	104	118	(14)	473	-	473	-
Members	6	7	(0)	(0)	-	(0)	-
Performance Improvement	44	42	2	204	-	204	-
Register of Electors	3	5	(3)	23	-	23	-
Administrative Expenses - Corporate Services	36	46	(9)	72	-	72	-
Administrative Expenses - Legal and Democratic	1	1	(1)	5	-	5	-
Administrative Expenses - Transformation and Strategy	13	5	7	9	-	9	-
Administrative Expenses - Human Resources	1	0	0	2	-	2	-
Street Naming	195	216	(20)	862	-	862	-
Support - Contact Centre	11	14	(3)	178	-	178	-
Support - General Admin	(15)	(3)	(12)	(41)	-	(41)	-
Support - General Admin (Print Shop)	426	433	(7)	1,071	-	1,071	-
Support - IT	0	-	0	-	-	-	-
Support - Local Offices	0	-	0	-	-	-	-
Support - Nursery	119	115	3	397	-	397	-
Support - Human Resources	1,612	1,546	65	5,666	(62)	5,604	(62)
Total Improvement and Innovation	4,043	4,759	(716)	17,015	0	17,015	0
Total SDC							

Appendix B : Salaries

Position as at the end of June 2021	Y-T-D Actual £'000	Annual Budget £'000	Annual Forecast £'000	Annual Variance £'000	Annual Variance %
Development and Conservation					
Building Control	111	381	381	0	0%
Planning Services	510	1,964	1,964	0	0%
Total	621	2,345	2,345	0	0%
Finance and Investments					
Chief Executive	53	216	216	0	0%
Finance	226	951	951	0	0%
Revenues and Benefits	383	1,660	1,660	0	0%
Strategic Property	119	607	607	0	0%
Total	781	3,434	3,434	0	0%
Cleaner and Greener					
Direct Services	968	4,382	4,382	0	0%
Health	165	712	712	0	0%
Licensing	108	483	483	0	0%
Property	121	481	481	0	0%
Transport	120	500	500	0	0%
Total	1,482	6,558	6,558	0	0%
Housing and Health					
Housing	157	771	771	0	0%
Total	157	771	771	0	0%
Improvement and Innovation					
Corporate Services	440	1,868	1,868	0	0%
Legal and Democratic	155	628	628	0	0%
Transformation and Strategy	154	669	669	0	0%
Human Resources	99	387	387	0	0%
Total	848	3,551	3,551	0	0%
People and Places					
Communities & Business	85	390	390	0	0%
Total	85	390	390	0	0%
Sub Total	3,974	17,049	17,049	0	0%
Council Wide - Vacant Posts	0	(153)	(153)	0	0%
Staff Recruitment and Retention	0	73	73	0	0%
TOTAL SDC Funded Salary Costs	3,974	16,969	16,969	0	0%
Communities & Business*	106	264	264	0	0%
Direct Services*	20	126	126	0	0%
Housing*	84	149	149	0	0%
Externally Funded Total	210	540	540	0	0%
TOTAL Salary Costs	4,184	17,508	17,508	0	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.

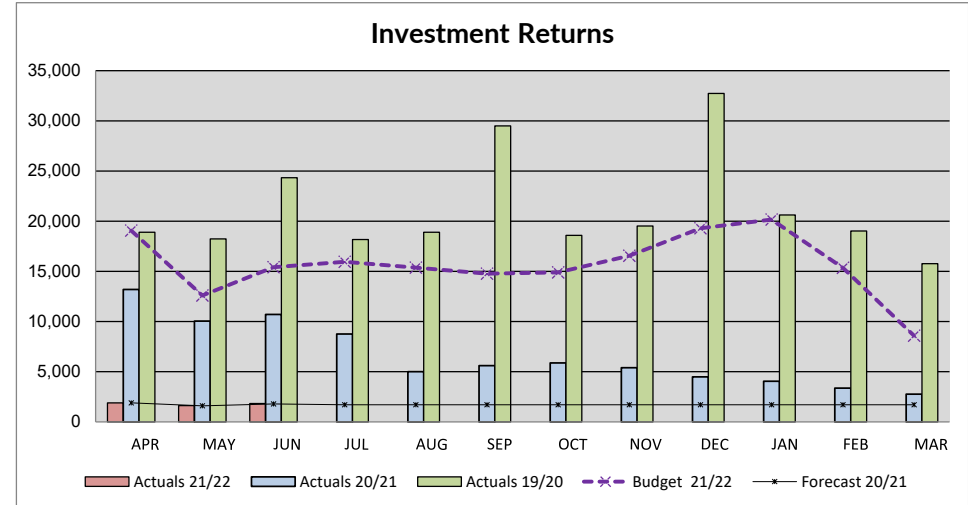
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APPENDIX B

Appendix B : Staffing Stats - Position as at the end of June 21	Budget FTE*	Staff FTE	Agency FTE	Casual FTE	Total	June 2021 Total
Building Control	8.00	7.00			7.00	7.00
Planning Services	41.47	40.66	0.50		41.16	40.66
Finance and Investments						
Economic Development Property	14.65	15.81			15.81	15.81
Chief Executive	1.00	1.00			1.00	1.00
Finance	16.08	15.81			15.81	16.27
Property	10.03	8.46			8.46	8.46
Revenues and Benefits	43.33	39.65		0.58	40.23	38.35
Cleaner and Greener						
Direct Services	139.97	117.42	26.32		143.74	144.33
Health	12.57	11.24	1.00		12.24	12.24
Licensing	10.59	10.59			10.59	9.19
Housing and Health						
Housing	15.20	11.29			11.29	13.68
Improvement and Innovation						
Corporate Services	43.72	41.18		0.32	41.50	42.72
Legal and Democratic	7.50	7.00			7.00	7.00
Transformation and Strategy	20.35	18.16			18.16	18.16
Human Resources	7.00	9.81			9.81	9.81
People and Places						
Communities & Business	5.00	5.00			5.00	5.00
Sub Total	396.46	360.08	27.82	0.90	388.80	389.68
Externally Funded						
People & Places	6.08	8.53		0.64	9.17	8.27
People & Places - Housing	4.00	8.89			8.89	7.50
KRP	2.00	1.00			1.00	2.00
Sub total	12.08	18.42	0.00	0.64	19.06	17.77
Total	408.54	378.50	27.82	1.54	407.86	407.45
Number of staff paid in June 2021: 413 permanent, 4 casuals						

APPENDIX B: Investment Returns

	Actuals 19/20	Actuals 20/21	Actuals 21/22	Budget 21/22	Variance	Forecast 20/21
APR	18,908	13,190	1,900	19,058	-17,158	1,900
MAY	18,243	10,041	1,620	12,595	-10,975	1,600
JUN	24,341	10,719	1,829	15,424	-13,595	1,800
JUL	18,166	8,761		15,947		1,700
AUG	18,891	5,010		15,365		1,700
SEP	29,495	5,612		14,773		1,700
OCT	18,586	5,867		14,889		1,700
NOV	19,520	5,397		16,555		1,700
DEC	32,723	4,484		19,286		1,700
JAN	20,620	4,060		20,166		1,700
FEB	19,034	3,367		15,345		1,700
MAR	15,768	2,769		8,597		1,700
TOTAL	254,295	79,277	5,349	188,000	-41,728	20,600



INVESTMENT RETURNS (CUMULATIVE)

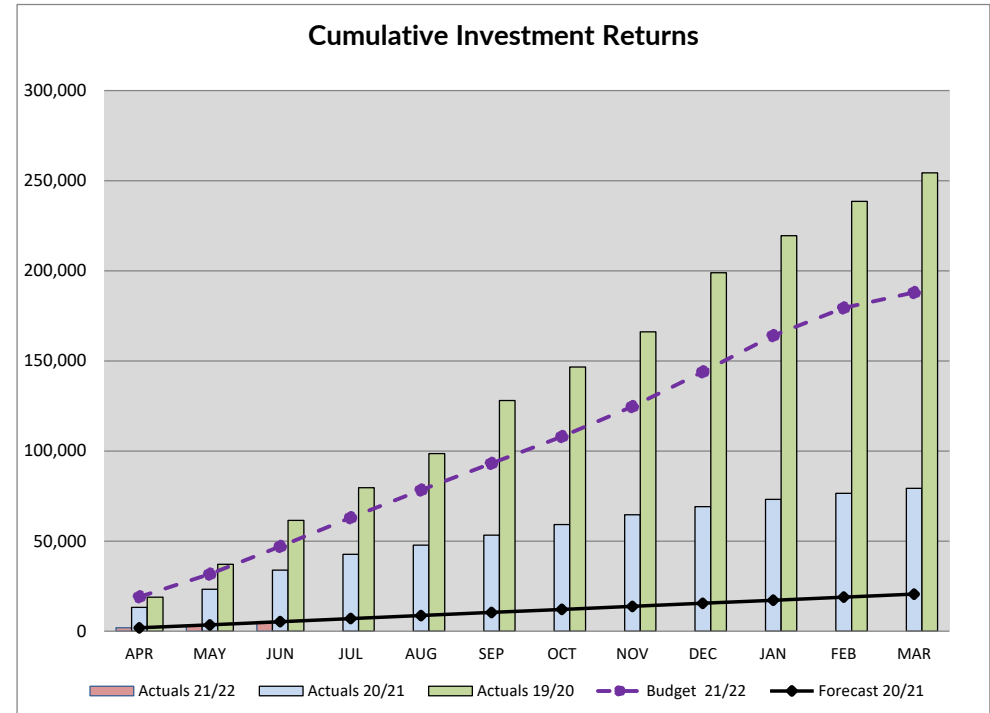
	Actuals 19/20	Actuals 20/21	Actuals 21/22	Budget 21/22	Variance	Forecast 20/21
APR	18,908	13,190	1,900	19,058	-17,158	1,900
MAY	37,151	23,231	3,520	31,653	-28,133	3,500
JUN	61,492	33,950	5,349	47,077	-41,728	5,300
JUL	79,658	42,711		63,024		7,000
AUG	98,549	47,721		78,389		8,700
SEP	128,044	53,333		93,162		10,400
OCT	146,630	59,200		108,051		12,100
NOV	166,150	64,597		124,606		13,800
DEC	198,873	69,081		143,892		15,500
JAN	219,493	73,141		164,058		17,200
FEB	238,527	76,508		179,403		18,900
MAR	254,295	79,277		188,000		20,600

BUDGET FOR 20/21 188,000
 FORECAST OUTTURN 20,600

CODE:- YHAA 96900

N.B.
 These are the gross interest receipts rather than
 the interest remaining in the General Fund

Fund Average 0.1174%
 7 Day LIBID -0.0800%
 3 Month LIBID -0.0400%



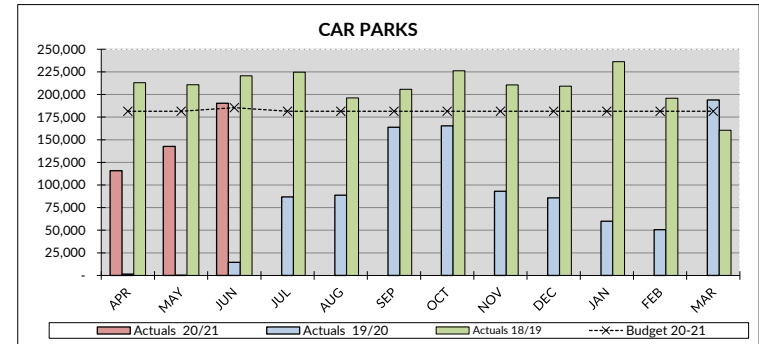
Appendix B : Income Graphs Summary

	ACTUAL	Previous Year comparatives	MANAGER' S PROFILED BUDGET	Variance YTD · brackets show underachieve ment	Annual Budget
Car Parks	448,706	16,260	548,419	(99,713)	2,181,677
Car Parking - On Street	214,642	27,915	208,155	6,487	832,621
Licensing Regime	30,583	26,695	26,314	4,269	99,148
Taxis	24,922	11,333	36,344	(11,422)	145,377
Land Charges	48,908	21,880	55,193	(6,286)	220,773
Planning - Development Management	281,404	184,913	247,055	34,349	988,220
Building Control	166,618	103,269	125,792	40,826	503,168
Total	1,215,783	392,265	1,247,272	(31,490)	4,970,984

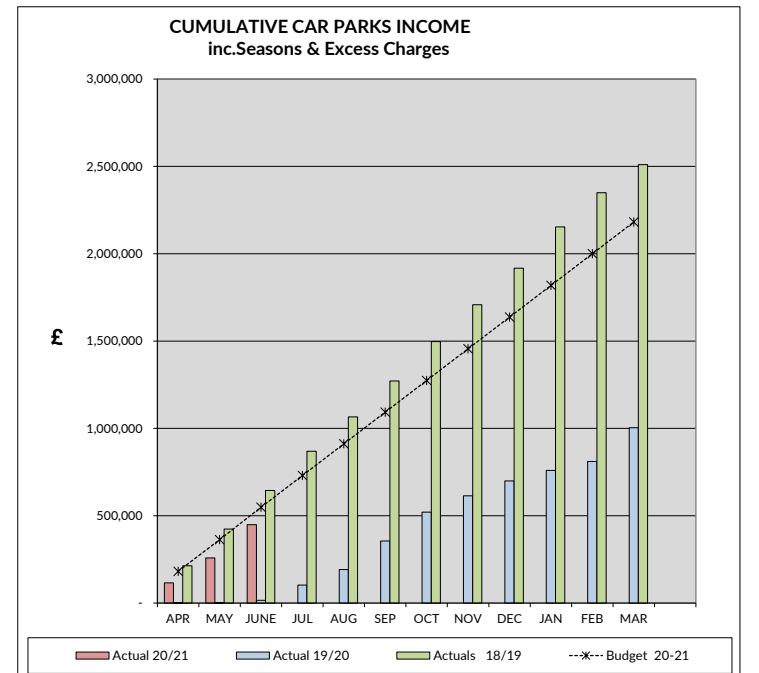
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Appendix B: CAR PARKS (HWCARP)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	213,119	1,513	115,730	114,217	181,473	(65,743)	-
MAY	210,813	158	142,691	142,533	181,473	(38,782)	-
JUN	220,637	14,588	190,284	175,696	185,473	4,811	-
JUL	224,678	86,759			181,473		-
AUG	196,164	88,754			181,473		-
SEP	205,737	163,789			181,473		-
OCT	226,210	165,320			181,473		-
NOV	210,651	93,081			181,473		-
DEC	209,265	85,779			181,473		-
JAN	236,228	59,945			181,473		-
FEB	195,940	50,624			181,473		-
MAR	160,439	193,889			181,473		-
Total	2,509,881	1,004,200	448,705	432,446	2,181,676	(99,714)	-

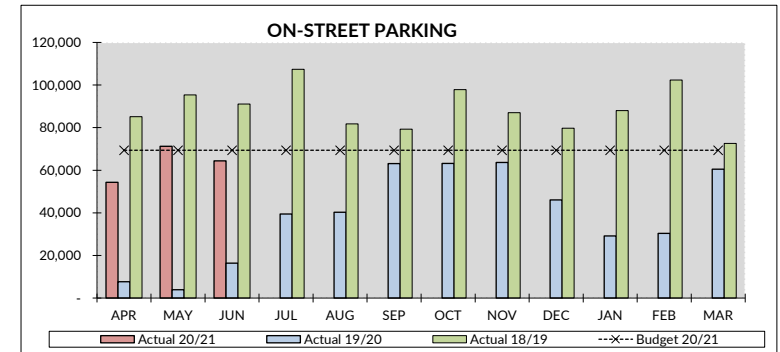


CAR PARKS (CUMULATIVE)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	213,119	1,513	115,730	114,217	181,473	(65,743)	-
MAY	423,932	1,671	258,422	256,750	362,946	(104,525)	-
JUNE	644,570	16,260	448,706	432,446	548,419	(99,713)	-
JUL	869,247	103,018	-	-	729,892	-	-
AUG	1,065,411	191,772	-	-	911,365	-	-
SEP	1,271,148	355,561	-	-	1,092,838	-	-
OCT	1,497,358	520,882	-	-	1,274,312	-	-
NOV	1,708,009	613,963	-	-	1,455,785	-	-
DEC	1,917,274	699,741	-	-	1,637,258	-	-
JAN	2,153,502	759,687	-	-	1,818,731	-	-
FEB	2,349,442	810,311	-	-	2,000,204	-	-
MAR	2,509,881	1,004,200	-	-	2,181,677	-	-

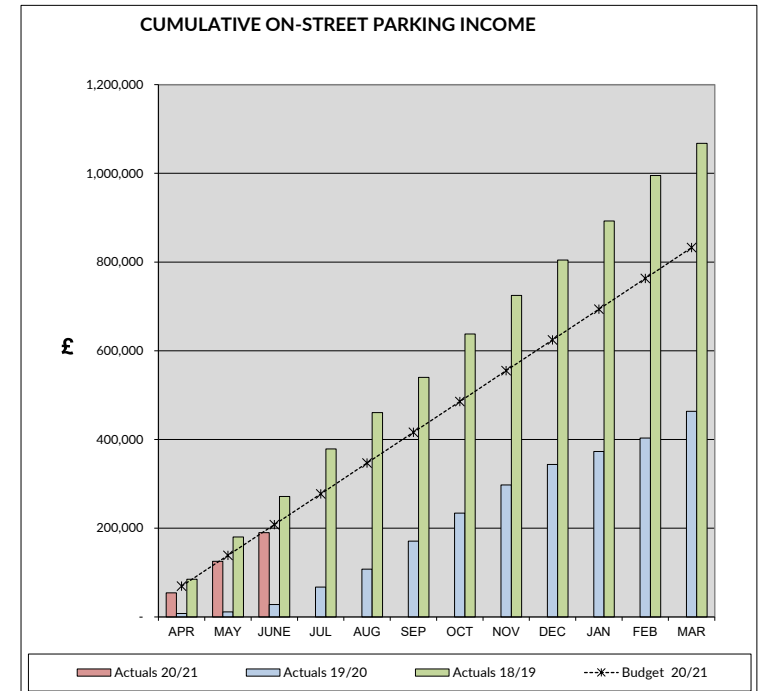


CUMULATIVE BREAKDOWN - HWCARP	Code	Actual (Cumulative)	Budget	(Monthly)
DAY TICKETS	3300	392,411	470,271	153,638
EXCESS / PENALTY CHARGES	***1/***3			
SEASON TICKETS	3310 ***2	48,905	68,716	35,396
SEASON TICKET CAR PARK	3310			
OTHER	9999, 34**	825	1,682	-
WAIVERS	3404			-
RENT	86**	6,565	7,750	1,250
Business Permits	3406 /3408			
Total		448,706	548,419	190,284

Appendix B: ON-STREET PARKING (HWDCRIM / HWENFORC)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	85,115	7,676	54,350	46,674	69,385	(15,035)	-
MAY	95,338	3,884	71,258	67,374	69,385	1,873	-
JUN	91,102	16,355	64,364	48,009	69,385	(5,022)	-
JUL	107,391	39,461	-	-	69,385	-	-
AUG	81,797	40,276	-	-	69,385	-	-
SEP	79,308	63,135	-	-	69,385	-	-
OCT	97,818	63,193	-	-	69,385	-	-
NOV	87,032	63,639	-	-	69,385	-	-
DEC	79,729	46,090	-	-	69,385	-	-
JAN	88,036	29,146	-	-	69,385	-	-
FEB	102,372	30,326	-	-	69,385	-	-
MAR	72,578	60,489	-	-	69,385	-	-
Total	1,067,616	463,670	189,972	162,057	832,620	(18,184)	-



ON-STREET PARKING (CUMULATIVE)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	85,115	7,676	54,350	46,674	69,385	(15,035)	-
MAY	180,453	11,560	125,609	114,049	138,770	(13,161)	-
JUNE	271,555	27,915	189,972	162,057	208,155	(18,183)	-
JUL	378,946	67,376	-	-	277,540	-	-
AUG	460,743	107,652	-	-	346,925	-	-
SEP	540,051	170,787	-	-	416,310	-	-
OCT	637,869	233,980	-	-	485,696	-	-
NOV	724,901	297,619	-	-	555,081	-	-
DEC	804,630	343,709	-	-	624,466	-	-
JAN	892,666	372,855	-	-	693,851	-	-
FEB	995,038	403,181	-	-	763,236	-	-
MAR	1,067,616	463,670	-	-	832,621	-	-

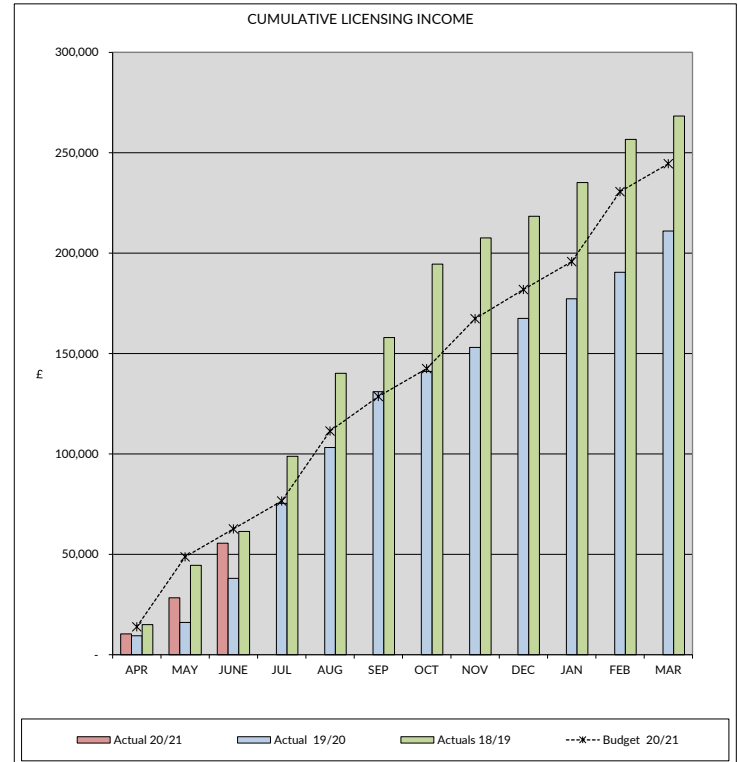
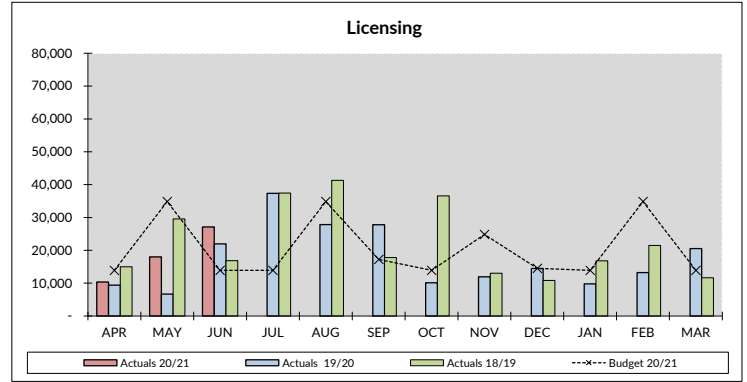


CUMULATIVE BREAKDOWN - HWDCRIM / HWENFORC	Code	Actual (Cumulative)	Budget	(Monthly)
PENALTY NOTICES & EXCESS CHARGES	3403/**1	87,339	107,499	33,922
ON STREET PARKING	3300	57,696	68,711	8,724
PENALTY NOTICES	3403	7,606	2,828	3,067
WAIVERS	3404	473	-	150
Driveway Access Protection Lines	3405	22,806	13,577	11,901
RESIDENTS PERMITS	3406	320	15,540	320
BUSINESS PERMITS	3408	13,733	-	6,280
Total		189,973	208,155	64,364

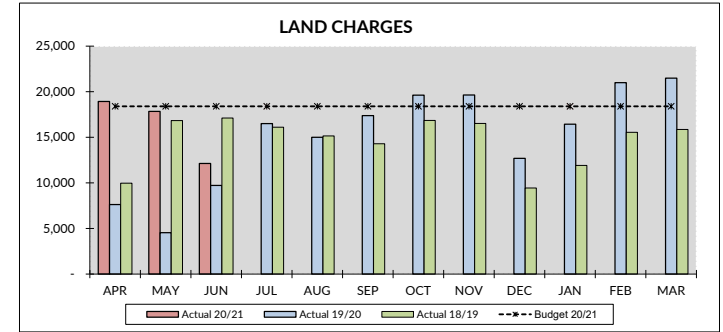
Appendix B: Licensing (EHLICREG & DSTAXIL)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	14,991	9,404	10,356	952	13,909	(3,553)	-
MAY	29,570	6,655	18,021	11,366	34,839	(16,818)	-
JUN	16,865	21,969	27,128	5,159	13,909	13,219	-
JUL	37,419	37,346	-	-	13,909	-	-
AUG	41,305	27,847	-	-	34,839	-	-
SEP	17,814	27,783	-	-	17,221	-	-
OCT	36,559	10,099	-	-	13,909	-	-
NOV	13,047	11,939	-	-	24,839	-	-
DEC	10,833	14,460	-	-	14,489	-	-
JAN	16,790	9,782	-	-	13,909	-	-
FEB	21,506	13,232	-	-	34,839	-	-
MAR	11,638	20,550	-	-	13,909	-	-
Total	268,337	211,066	55,505	17,477	244,520	(7,152)	-

Licensing (CUMULATIVE)	Actuals 19/20	Actuals 20/21	Actuals 21/22	Increase / (decrease) from 20/21 to 21/22	Budget 21/22	Variance (Budget-Actuals)	Manager's Forecast
APR	14,991	9,404	10,356	952	13,909	(3,553)	-
MAY	44,561	16,059	28,377	12,318	48,749	(20,372)	-
JUNE	61,426	38,028	55,505	17,477	62,658	(7,153)	-
JUL	98,845	75,374	-	-	76,568	-	-
AUG	140,150	103,221	-	-	111,407	-	-
SEP	157,964	131,004	-	-	128,629	-	-
OCT	194,523	141,103	-	-	142,538	-	-
NOV	207,570	153,042	-	-	167,377	-	-
DEC	218,403	167,502	-	-	181,867	-	-
JAN	235,193	177,284	-	-	195,776	-	-
FEB	256,699	190,516	-	-	230,616	-	-
MAR	268,337	211,066	-	-	244,525	-	-

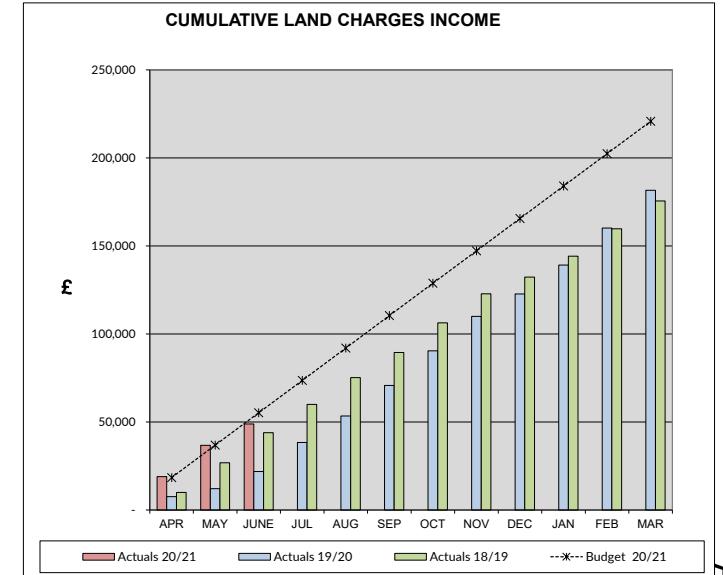
CUMULATIVE BREAKDOWN - EHLICREG/DSTAXIL	Code	Actual (Cumulative)	Budget	(Monthly)
Pre-application advice	EHLICREG/2189	-243	-	-
Personal Licences	EHLICREG/2190	687	555	206
Premises Licence Annual Fee/Premises New/Premises Variation	EHLICREG/2192/21	25,932	23,680	13,416
Temporary Event Notice	EHLICREG/2193	966	1,053	504
Gambling Act Permits/Lottery	EHLICREG/2196/7/	2,846	1,026	2,596
Pavement Licence	EHLICREG/2222	400	-	(100)
Scrap Metal Dealers	EHLICREG/2241	0	-	-
Taxi Licensing	94300/DSTAXIL	22,604	36,344	9,421
Other	94300/DSTAXIL/99	2,314	-	1,085
Total		55,506	62,658	27,127



Appendix B: LAND CHARGES (LPLNDCH)				Increase / (decrease)	Variance (Budget- Manager's		
	Actuals 19/20	Actuals 20/21	Actuals 21/22	from 20/21 to 21/22	Budget 21/22	Actuals	Forecast
APR	9,967	7,630	18,930	11,300	18,398	532	-
MAY	16,828	4,532	17,846	13,314	18,398	(551)	-
JUN	17,112	9,717	12,132	2,415	18,398	(6,266)	-
JUL	16,113	16,500	-	-	18,398	-	-
AUG	15,149	14,999	-	-	18,398	-	-
SEP	14,286	17,377	-	-	18,398	-	-
OCT	16,854	19,628	-	-	18,398	-	-
NOV	16,519	19,636	-	-	18,398	-	-
DEC	9,444	12,692	-	-	18,398	-	-
JAN	11,917	16,441	-	-	18,398	-	-
FEB	15,554	20,998	-	-	18,398	-	-
MAR	15,857	21,489	-	-	18,398	-	-
Total	175,600	181,639	48,908	27,029	220,776	(6,285)	-



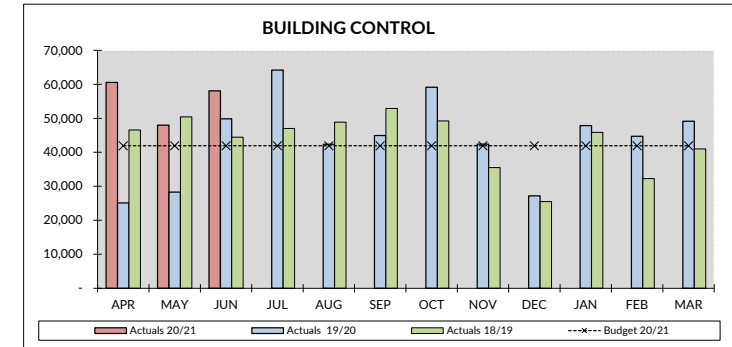
LAND CHARGES (CUMULATIVE)				Increase / (decrease)	Variance (Budget- Manager's		
	Actuals 19/20	Actuals 20/21	Actuals 21/22	from 20/21 to 21/22	Budget 21/22	Actuals	Forecast
APR	9,967	7,630	18,930	11,300	18,398	532	-
MAY	26,795	12,162	36,776	24,614	36,796	(20)	-
JUNE	43,907	21,879	48,908	27,029	55,193	(6,286)	-
JUL	60,020	38,379	-	-	73,591	-	-
AUG	75,169	53,378	-	-	91,989	-	-
SEP	89,455	70,755	-	-	110,387	-	-
OCT	106,309	90,383	-	-	128,784	-	-
NOV	122,828	110,019	-	-	147,182	-	-
DEC	132,272	122,711	-	-	165,580	-	-
JAN	144,188	139,152	-	-	183,978	-	-
FEB	159,742	160,150	-	-	202,375	-	-
MAR	175,599	181,639	-	-	220,773	-	-



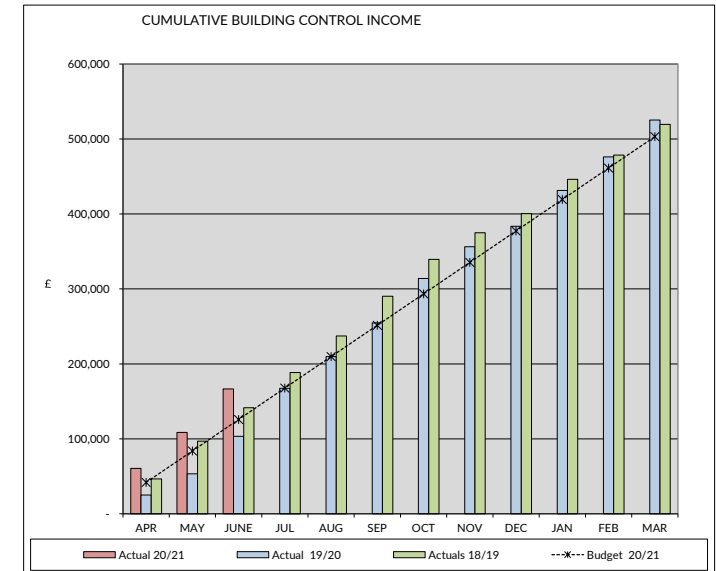
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CUMULATIVE BREAKDOWN - LPLNDCH	Received (Month)	Percentage (Month)	Percentage (Month 20/21)	Percentage (Cumulative)
Searches Received - Paper	1	1%		2
Searches Received - Electronic	89	99%	70%	361
Searches Received - Personal	0	%	30%	155
Total	90	100%	100%	518

Appendix B: BUILDING CONTROL (DVBCFEE)				Increase / (decrease) from	Variance		Manager's Forecast
	Actuals 19/20	Actuals 20/21	Actuals 21/22	20/21 to 21/22	Budget 21/22	(Budget- Actuals)	
APR	46,552	25,107	60,545	35,438	41,931	18,614	-
MAY	50,427	28,305	47,988	19,683	41,931	6,057	-
JUN	44,461	49,857	58,085	8,228	41,931	16,155	-
JUL	47,025	64,205	-	-	41,931	-	-
AUG	48,869	42,367	-	-	41,931	-	-
SEP	52,900	44,930	-	-	41,931	-	-
OCT	49,220	59,144	-	-	41,931	-	-
NOV	35,500	42,429	-	-	41,931	-	-
DEC	25,489	27,203	-	-	41,931	-	-
JAN	45,849	47,838	-	-	41,931	-	-
FEB	32,288	44,709	-	-	41,931	-	-
MAR	40,975	49,136	-	-	41,931	-	-
Total	519,555	525,230	166,618	63,349	503,172	40,826	-

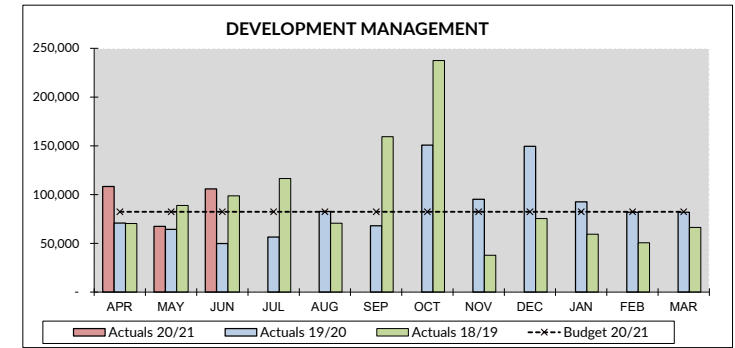


BUILDING CONTROL (CUMULATIVE)				Increase / (decrease) from	Variance		Manager's Forecast
	Actuals 19/20	Actuals 20/21	Actuals 21/22	20/21 to 21/22	Budget 21/22	(Budget- Actuals)	
APR	46,552	25,107	60,545	35,438	41,931	18,614	-
MAY	96,979	53,412	108,533	55,121	83,861	24,671	-
JUNE	141,440	103,269	166,618	63,349	125,792	40,826	-
JUL	188,465	167,474	-	-	167,723	-	-
AUG	237,334	209,841	-	-	209,653	-	-
SEP	290,234	254,771	-	-	251,584	-	-
OCT	339,454	313,915	-	-	293,515	-	-
NOV	374,954	356,344	-	-	335,445	-	-
DEC	400,443	383,547	-	-	377,376	-	-
JAN	446,292	431,385	-	-	419,307	-	-
FEB	478,580	476,094	-	-	461,237	-	-
MAR	519,555	525,230	-	-	503,168	-	-

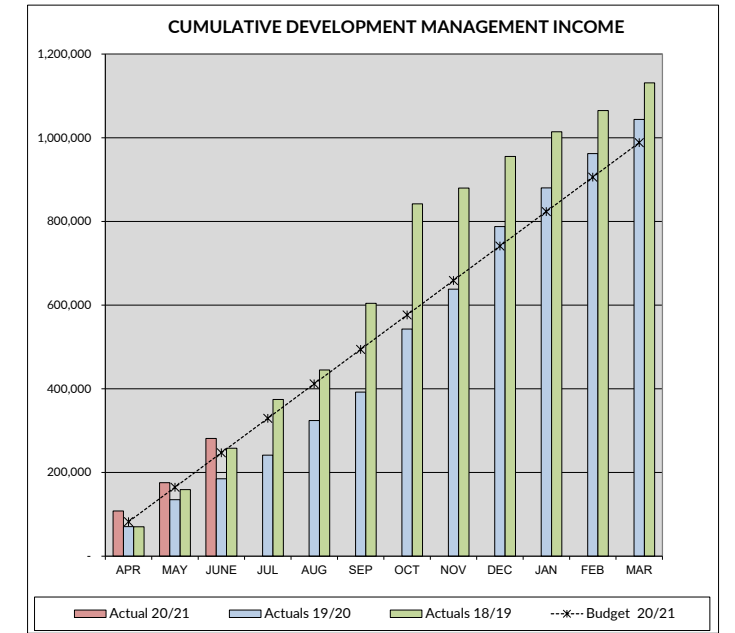


CUMULATIVE BREAKDOWN	Code	Actual (Cumulative)	Budget	(Monthly)
Plan Fee	3066	104,501	78,087	36,546
Inspection Fee	3067	62,117	47,705	21,539
Other	9999	0	-	-
New Burdens Grant	3905	0	-	-
Total		166,618	125,792	58,085

Appendix B: DEVELOPMENT MANAGEMENT (DVDEVCT/DVDEVRND)				Increase / (decrease) from	Variance	Manager's
	Actuals 19/20	Actuals 20/21	Actuals 21/22	20/21 to 21/22	(Budget-Actuals)	Forecast
APR	70,363	70,765	108,220	37,455	82,352	25,869
MAY	88,827	64,358	67,370	3,012	82,352	(14,982)
JUN	98,710	49,790	105,814	56,024	82,352	23,462
JUL	116,501	56,443	-	-	82,352	-
AUG	70,614	82,700	-	-	82,352	-
SEP	159,361	68,065	-	-	82,352	-
OCT	237,506	150,748	-	-	82,352	-
NOV	37,774	95,145	-	-	82,352	-
DEC	75,475	149,560	-	-	82,352	-
JAN	59,329	92,513	-	-	82,352	-
FEB	50,534	81,896	-	-	82,352	-
MAR	66,253	81,833	-	-	82,352	-
Total	1,131,247	1,043,816	281,404	96,491	988,224	34,349



DEVELOPMENT MANAGEMENT (CUMULATIVE)				Increase / (decrease) from	Variance	Manager's
	Actuals 19/20	Actuals 20/21	Actuals 21/22	20/21 to 21/22	(Budget-Actuals)	Forecast
APR	70,363	70,765	108,220	37,455	82,352	25,869
MAY	159,190	135,123	175,590	40,467	164,703	10,887
JUNE	257,900	184,913	281,404	96,491	247,055	34,349
JUL	374,401	241,356	-	-	329,407	-
AUG	445,015	324,056	-	-	411,758	-
SEP	604,376	392,121	-	-	494,110	-
OCT	841,882	542,869	-	-	576,462	-
NOV	879,656	638,014	-	-	658,813	-
DEC	955,131	787,574	-	-	741,165	-
JAN	1,014,460	880,087	-	-	823,517	-
FEB	1,064,994	961,983	-	-	905,868	-
MAR	1,131,247	1,043,816	-	-	988,220	-



CUMULATIVE BREAKDOWN: DVDEVCT/DVDEVRND	Code	Actual (Cumulative)	Budget	(Monthly)
Planning Application Fees	3009	248,419	218,532	97,279
Other	9999	6,303	2,213	-
Planning Performance Agreements	3012	-	0	-
Pre-application Fees	8329	458	0	-
Pre-application Fees	8330	23,224	23,318	8,535
Monitoring Fees	3106	3,000	2,992	-
RECH-Other A/C/S	98100	-	-	-
Total		281,404	247,055	105,814

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FINANCIAL PROSPECTS AND BUDGET STRATEGY 2022/23 AND BEYOND

Finance and Investment Advisory Committee - 7 September 2021

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

Status: For Decision

Also considered by:

- Cabinet - 16 September 2021

Key Decision: No

Executive Summary:

This Financial Prospects Report is the first report of the Council's budget setting process for 2022/23 onwards. It sets out the financial pressures the Council is likely to face in the coming years and suggests an appropriate strategy, utilising the 10-year budget framework first adopted in 2011/12, to ensure the Council remains financially stable over the long term.

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

To achieve this aim and to ensure a balanced budget position over the next 10-year period will continue to be challenging largely due to the uncertainties and ongoing financial impacts of the Covid-19 pandemic.

The budget process will be the same as two years ago as opposed to the shortened process last year. However, we are looking to shorten the process in future years to run from November to February, but this will require changes to the committee meetings schedule.

No changes have been made to the assumptions at the stage, so the annual budget gap included in this report is £100,000 which relates to the annual savings target. However, it is expected that the gap will increase due to the impacts of homelessness, ongoing Covid-19 impacts and inflationary pressures. Growth and savings proposals will be presented to the Advisory Committees and Cabinet, and their recommendations will be considered as part of the process to remove this gap.

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

Portfolio Holder: Cllr. Matthew Dickins

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

Alan Mitchell, Ext 7483

Recommendation to Finance and Investment Advisory Committee:

Advise Cabinet with views on the ten-year financial planning approach and principles set out in the report.

Recommendation to Cabinet:

- (a) That subject to the views of the Finance and Investment Advisory Committee, endorse the ten-year financial planning approach, financial strategy and principles set out in this report;
- (b) request Advisory Committees to review the Service Dashboards and advise Cabinet of possible growth and savings options;
- (c) request officers to continue to review the assumptions in this report and consider options to address the budget gap and report back to Cabinet on 9 December 2021.

Introduction and Background

- 1 The Council's financial strategy over the past seventeen years has worked towards increasing financial sustainability and it has been successful through the use of a number of strategies including:
 - implementing efficiency initiatives.
 - significantly reducing the back-office function.
 - improved value for money.
 - maximising external income.
 - the movement of resources away from low priority services.
 - an emphasis on statutory rather than non-statutory services.
- 2 Over this period, the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 3 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available in future months and current assumptions may need to be updated.

- 4 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the short-term reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 5 With the Revenue Support Grant provided by Government ceasing from 2017/18 it is important that the council remains financially self-sufficient by having a financial strategy that is focused on local solutions. These solutions include:
 - continuing to deliver financial savings and service efficiencies.
 - growing the council tax base.
 - generating more income.
- 6 The intention of this report is to enable Members to give consideration to the pressures likely to be faced by the Council and put in place a long-term solution that ensures service reductions are minimised. This report sets out the high-level approach and principles but later reports in the budget setting process will provide further details to assist in balancing the budget.

Financial Self-Sufficiency

- 7 The Council's Corporate Plan 2013-2018 set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. The current Council Plan aims to continue with this approach. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 8 This approach was adopted in response to the financial challenges the Country was faced with in bringing its public spending down to ensure it was able to live within its means. In practice this has seen Government funding to local authorities dramatically reduced since 2010/11 with Sevenoaks District Council receiving no Revenue Support Grant from 2017/18.
- 9 The decision to become financially self-sufficient is intended to give the Council greater control over its services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.
- 10 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Association's Peer Challenge of the District Council during December 2013. In their closing letter to the Council, they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'.
- 11 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate.

Agenda Item 9

The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus. Any funding received from these sources will be put into the Financial Plan Reserve which can be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy. One of the aims of the Property Investment Strategy is to achieve an income yield of 3%+ above the Council's average treasury management return (currently 0.1%) when not borrowing or internally borrowing, and 3%+ above the borrowing rate (currently 1.7% for 30 years) when externally borrowing, based on an average over ten years. Therefore, using funding for this purpose will result in additional year on year income that is not impacted by Government decisions.

- 12 Cabinet are keen to remain financially self-sufficient which has served the Council well and ensured it is one of the most financially stable local authorities in the country. In the 2020/21 budget, a new target was set to replace reliance on Business Rates income over the coming years. However, due to the impact of Covid-19 and the greater uncertainty as Government reviews have been deferred, this was not addressed during the 2021/22 budget process but remains a future aim. This ambition will allow this Council to move ahead in the knowledge that this council has the financial resources to provide the services that the district's residents need into the future.

Financial Pressures 2022/23 to 2031/32

Overall Summary

- 13 The Covid-19 pandemic raised a new level of financial impacts that could not reasonably have been foreseen and were not previously considered before setting the last 10-year budget. Estimated impacts were included in the 10-year budget approved by Council in February, but these will be reviewed as part of this budget process together with any potential impacts that had not previously been considered.
- 14 In addition to the need to make financial savings from April 2022, the Council will have to continue to progress its savings plan and maintain tight control over net expenditure in order to deliver its 10-year budget.
- 15 The 10-year budget set out in **Appendix B** has been updated from the version agreed by Council on 23 February 2021 to roll on one year.
- 16 No changes to assumptions have been made at this stage so the annual budget gap is currently £100,000 which relates to the annual savings target. However, it is expected that the gap will increase due to the impacts of homelessness, ongoing Covid-19 impacts and inflationary pressures. Options to address this gap will be presented as Service Change Impact Assessments (SCIAs) to each of the Advisory Committees and also in the Budget Update report to Cabinet on 9 December 2021.
- 17 Looking at expenditure, inflation is running at 2.0% for CPI and 3.8% for RPI (as at July 2021).

- 18 The timing of the next Government Comprehensive Spending Review and the results of any reviews on Local Government funding remain unknown. All of these events may have a financial impact on this council and officers will update the 10-year budget when announcements are made.
- 19 The Government are expected to present the next Spending Review in October which will lead on to the Provisional Local Government Finance Settlement for 2022/23. Based on previous years this is likely to be announced in December, but it is not expected to have a significant impact on this council's budget.
- 20 The paragraphs that follow set out the position in more detail and assess the impact on the current 10-year budget.

Covid-19 Financial Impact

- 21 The Covid-19 financial impact has been included in the 2021/22 budget reports as well as the Financial Monitoring reports regularly presented to FIAC and Cabinet.
- 22 There are a number of specific Covid-19 financial impacts that were included in the 10-year budget approved by Council in February. Further details are below, and they will continue to be reviewed during the budget process:
- 23 ***Council Tax Collection Fund deficit in 2020/21*** - any deficit is normally recovered in the following year, but the Government announced that any deficit in 2020/21 can be spread over the following three years instead.
- 24 ***Council Tax Collection rate reductions 2021/22 and 2022/23*** - the previous collection rate assumption for all years was 99.4%. The assumptions for 2021/22 and 2022/23 reduced to 98.4%.
- 25 ***Reduced income: Car Parking*** - it is currently forecast that car parking income will be 25% below budgeted levels in 2021/22 with the position improving by 5% each year.
- 26 ***Covid-secure workplace*** - increased cleaning of offices and vehicles as well as providing additional PPE, has been required to ensure the Council has a Covid-secure workplace. It is expected that this will continue to a certain extent going forward to ensure that the council supports the staff to carry out their duties.
- 27 ***IT costs relating to working from home and new starters*** - to maintain a Covid-secure workplace the capacity of the Councils offices has been reduced and will continue to be reviewed. It is expected that there will be a hybrid system in future, where staff split their time to work from home and in the office.

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Income

- 28 Each year in the 10-year budget there is about a £4m difference between net service expenditure and Council Tax revenue. While it is reasonable to assume that inflation rates for these two items will generally be similar, inflationary changes of the items which we rely on to meet the difference may vary. In particular the council's receipts from Business Rates could be very variable. Members should be aware that significant changes to income assumptions may result in higher levels of savings being required.
- 29 **Government Support: Revenue Support Grant (RSG)** (nil received in 2021/22) - This formula-based grant has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council received no RSG in 2017/18 and is not expected to receive any in future years. The attached 10-year budget assumes no RSG, if any amounts are received in future years, they will be put into the Financial Plan Reserve to support the 10-year budget including 'invest to save' initiatives and support for the Property Investment Strategy.
- 30 Negative RSG (i.e. where council's pay government) has previously been proposed by government. It has not been implemented but remains a threat going forward.
- 31 Local Government Funding reform was due to take place in 2019/20 but has been delayed for a number of reasons and is not now expected until 2023/24.
- 32 Two one-off grants were included in the 2021/22 Local Government Finance Settlement. These were a Lower Tier Services Grant (£98,000), to ensure that no authority had a total Core Spending Power less than in 2020/21; and a Local Council Tax Support Grant (£245,000), in recognition of the increased costs of providing Local Council Tax Support following the pandemic. Neither of these grants are expected to continue in 2022/23.
- 33 **New Homes Bonus (NHB)** (£1.16m received in 2021/22 but not used to fund the revenue budget) - the Government started this new funding stream in 2011/12 from funds top sliced from RSG with the intention that local authorities would be rewarded for new homes being built over a six-year period. The basis of NHB was changed with effect from 2017/18. Previously it was based on cumulative figures for 6 years, but this was reduced to 5 years from 2017/18 and 4 years from 2018/19. In addition, NHB is only received on tax base growth above 0.4% instead of on all growth (known as the deadweight).
- 34 The Government carried out a NHB consultation during 2021 on the future of the schemes considering a wide range of options with the intention that a new scheme would be in place for 2022/23. Details of the new scheme are awaited.
- 35 **Council Tax** (£11.4m) - The Government referendum limit for 2021/22 was an increase of 2% or £5 for a Band D property (2.3% for SDC), if higher.

Council agreed to increase Council Tax by 2.3% with the excess above 2% put into the 'Net Zero Transition Fund'.

36 The referendum limit for 2022/23 is not yet known and is expected to be announced in December. The assumption currently included in the 10-year budget is a 2% increase in all years.

37 If the same referendum limits are set for 2022/23, the following increase would be possible:

2022/23 Council Tax	Current Assumption	Potential Assumption
% increase	2.00%	2.2%
£ increase (Band D pa)	£4.50	£4.95
£ (Band D pa)	£229.41	£229.86

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

39 The tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing change in the number of Council Tax discounts awarded. The assumption going forward is an increase of 730 Band D equivalent properties per annum from 2022/23, 580 per annum from 2025/26 and 480 per annum from 2027/28. The increased tax base results in additional Council Tax income which is assumed to be greater than the incremental cost of servicing the additional properties although it should be recognised that there are likely to be step changes in costs for some services in the future such as refuse collection. The Local Plan will also affect future tax base assumptions.

40 **Business Rates Retention** (£2.2m) - The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received. However, tariffs and top ups are applied to ensure that the funding received by each local authority is not significantly different to pre 2013/14 amounts.

41 A Business Rates Pool operates in Kent and Medway which generally results in councils retaining more Business Rates than if they were not in the pool. This council and Dover Borough Council were not part of the pool in previous years, but it has been agreed that Sevenoaks and Dover will benefit as if they were in the pool going forward. It is not yet known if the Government will allow Business Rates Pools to operate in 2022/23.

42 Due to the uncertain impact of Covid-19 on local businesses, the large number of business rates appeals being outstanding with the Valuation Office Agency (VOA) and the limited opportunities to increase the number of

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businesses in the district, the assumption in the 10-year budget remains at the safety-net level, which is the amount of business rates the council is assured of retaining in the current scheme if it were not in a pool.

- 43 Any increased Business Rates retained in 2021/22 due to being in the Kent and Medway Pool will be transferred to the Budget Stabilisation Reserve.
- 44 As the difference between Business Rates baseline and actual Business Rates collected diverges over time, a 'reset' is required after a period, to more closely align these. When Business Rates Retention was introduced in 2013/14, it was indicated that there would be a reset in 2020 however, this has been delayed three times and it is now expected to slip to 2023/24.
- 45 A reset could significantly alter the distribution of Business Rates and it is hoped that transitional arrangements would be included so that any financial impact is minimised in the short term but there remains a risk that this council may no longer retain any Business Rates in the future. This would result in a funding gap that would need to be replaced by additional income or further savings.
- 46 **Interest receipts** (£0.2m) - returns are continuing to be significantly lower than they were a few years ago due to low interest rates, reduced balances and the Council's Investment Strategy taking a low-risk approach.
- 47 Although investments with external bodies continue to be low, it should be noted that funds lent to Quercus 7 are at rates of over 4.5%. However, this income is reported under Property Investment Strategy income rather than Interest Receipts.
- 48 **Property Investment Strategy** - The strategy was approved by Council on 22 July 2014 with the intention of building on an approach of property-based investment in order to deliver increased revenue income. This was set against a background of reducing Government Support and continued low rates of return through existing treasury management arrangements.
- 49 Six assets have been purchased or built to date, including the Sennocke Hotel, at a cost of £25m. The annual income yields for completed schemes range from 5.9% to 9.6%.
- 50 A total of £50m has been approved by Council to be spent on the Property Investment Strategy. As well as the £25m above, £10m has been spent by Quercus 7 Ltd on five assets resulting in £15m of the approved amount remaining.

Property Investment Strategy income assumptions in the 10-year budget are as follows:

2022/23	£1.508m
2023/24 - 2025/26	£1.558m per annum
2026/27 - 2028/29	£1.655m per annum

2029/30 - 2030/31 £1.696m per annum

- 51 Members should be aware that the Government and CIPFA are continuing to implement ways to limit Council's ability to make commercial property investments. This is currently limiting and may even stop Council's ability to borrow for investments made purely for yield which is what the Property Investment Strategy has been set up to do.
- 52 A Property Investment Strategy Update report will be produced later in the budget cycle.
- 53 **Variable fees and charges** - The Council receives income in fees and charges from a number of sources.
- 54 The assumption is currently for a 2.5% increase for all years except for off-street car parking which is 3.5% for five years (2019/20 - 2023/24). The additional 1% for car parking is one of the funding streams for the development of Sevenoaks Town (formerly Buckhurst 2) Car Park as agreed by Council on 22 November 2016.
- 55 It should also be noted that the car parking income budget for 2021/22 was not increased and it was agreed that the assumed inflation would be deferred until the following year.
- 56 Car parking income is expected to continue to be adversely affected by the impacts of the Covid-19 pandemic. Lower usage assumptions are currently included and will continue to be reviewed.
- 57 **External Funding** - the Council has been very successful in securing external funding across a range of services, based on it delivering a wide range of innovative services to local residents, often in partnership with other agencies. The Council's officers continue to seek new opportunities for funding. As financial constraints are put on public services the funding available from health and other public bodies may reduce.
- 58 **Shared working** - Various services have included savings from shared working in recent years budgets. The Council successfully works in partnership with other authorities in a number of areas, including Revenues, Benefits, Internal Audit, Counter Fraud, Finance, Licensing, Civil Enforcement (Parking) and CCTV.
- 59 The largest savings were achieved when each shared service started, some of which were in 2010. The viability of continuing to share these services is reviewed on a regular basis to ensure that this Council receives value for money and the service standards it requires.
- 60 **Use of reserves** - One of the principles of the Financial Strategy is to make more effective use of the remaining earmarked reserves. When this strategy was first used in 2011/12, it was agreed that the remaining balances in the Asset Maintenance and Superannuation Fund Deficit Reserves

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would be moved to a new Financial Plan Reserve and used over the initial 10-year budget period. The Budget Stabilisation Reserve was also set up at the same time to manage the fluctuations between years to ensure that an overall balanced budget remained for the 10-year period. This reserve has been increased by surpluses achieved on the revenue budget in recent years.

- 61 A review of the reserves held is carried out each year as part of the budget process and that will take place again this year.
- 62 When the budget is set, the balance in the Budget Stabilisation Reserve must be sufficient to support the 10-year budget.

Expenditure

- 63 **Pay** costs total £17m. Discussions between the National Employers for Local Government Services and the unions regarding the national pay award for 2021/22 are ongoing. The latest offer is a 1.75% increase which is 0.25% below the 2% assumption included in the budget approved by Council in February. However, the unions have not accepted this offer. Discussions regarding the pay award for 2022/23 have not yet commenced.
- 64 The assumption in the attached 10-year budget is a 2% increase in all years.
- 65 Members previously agreed that a budget would be set aside to address the Council's recruitment and retention difficulties and challenges going forward. This remains in place and will be used as required.
- 66 **Superannuation fund** - the last pension fund triennial valuation, which was the fourth by the actuaries Barnett Waddingham, took place in November 2019.
- 67 The funding level has increased from 75.5% to 86.6% since the previous valuation in 2016 and the deficit recovery period for the fund has reduced from 17 years to 13 years. The 10-year budget includes the contribution amounts set by the actuaries for 2020/21 to 2022/23 and includes an additional £100,000 from 2023/24 when the next triennial valuation will come into effect.
- 68 **Non-pay costs** - the budget assumes non-pay costs will increase by an average of 2.25% in all years. In practice, items such as rates and energy costs often rise at a higher rate, so other non-pay items have been allowed a much lower inflation increase. Inflation is currently at 2.0% for CPI and 3.8% for RPI (as at July 2021).
- 69 **Asset Maintenance** - Any asset maintenance expenditure is funded by the revenue budget each year. Asset maintenance expenditure can fluctuate as the demand for programmed and ad hoc work varies across sites. A detailed review of the asset maintenance requirements for council owned properties was carried out in 2018/19. The asset maintenance budgets were reviewed again last year which resulted in the average yearly liability covered by the

budget being 64%. Asset maintenance budgets will be reviewed again as part of this budget cycle.

- 70 **Annual Savings** - an annual Net Savings/Additional Income assumption of £100,000 is included for all years in the 10-year budget.
- 71 **Unavoidable service pressures** - One of the lessons to be learnt from previous financial strategies is that there is always a likelihood of unavoidable service pressures and there needs to be a clear strategy for dealing with these. The model does not allow for unavoidable service pressures that could be significant. These will be identified in the Service Change Impact Assessments (SCIAs) that will be reported to the Advisory Committees.
- 72 These additional service pressures will, where possible, be absorbed within existing budgets. However, there is some likelihood that some pressures will be difficult to absorb, and Members will need to give these consideration as part of the budget process. However, it should be recognised that by having a 10-year budget there is greater scope to deal with these pressures and therefore have less impact on current services whereas other councils who only have single year budgets would have to make larger immediate savings.
- 73 **Progress on the savings plan** - 2022/23 will be the twelfth year of using the 10-year budget. During this period, 189 savings/additional income items have been identified totalling £7.7m. The majority of these savings/additional income items have already been achieved and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.
- 74 **Changes since the 10-year budget started** - The table below shows how the Net Service Expenditure has changed since 2010/11. This shows that the budget has reduced by £4m (24%) in real terms.

Net Service Expenditure	£000
2010/11 (budget)	16,711
2021/22 (2010/11 budget +2% inflation per year)	20,778
2021/22 (budget)	16,783
Difference	3,995

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Current 10-year budget position

- 75 The 10-year budget set out in **Appendix B** has been updated from the version agreed by Council on 23 February 2021 by rolling it forward one year
- 76 No changes to assumptions have been made at this stage so the annual budget gap is currently £100,000 which relates to the annual savings target. However, it is expected that the gap will increase due to the impacts of homelessness, ongoing Covid-19 impacts and inflationary pressures.
- 77 Options to remove this gap will be presented as SCIAs to the Advisory Committees and also in the Budget Update report to Cabinet on 9 December 2021.
- 78 The options are likely to cover a number of areas including:
- Service efficiencies
 - Additional income
 - Re-prioritisation of reserves
- 79 When looking at prospects for year 11 onwards, there is still likely to be a need to take further actions as these years come into the rolling 10-year period.

Proposed Financial Strategy

- 80 The proposed Financial Strategy is set out in **Appendix C**.
- 81 In order to maintain a viable Council that continues to deliver on its main priorities and the services it provides to its residents, the Council aims to continue to adopt a Financial Strategy that embraces the following principles:
- Remain financially self-sufficient.
 - Be clear about the Council's future financial prospects, with a ten-year budget as an integral part.
 - Ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting.
 - Make effective use of reserves and capital receipts.
 - Manage our money carefully, monitor monthly and constantly strive for better value from our spending.
- 82 It is recommended that this strategy be adopted.

Process and timetable

- 83 Members will note from the timetable set out in **Appendix A** that this report is being considered by the Finance and Investment Advisory Committee on 7

September 2021 and any comments will be considered along with this report at Cabinet on 16 September 2021.

- 84 All Advisory Committees will be presented with their Service Dashboards and Service Change Impact Assessments (SCIAs) between September and November when they will be asked for their views on growth and savings proposals for their areas. This part of the process ensures that all members have a role to play in the Governance of the council and the budget decision making process.
- 85 A Budget Update report will be presented to Cabinet on 9 December 2021 to provide details of progress made before the Budget Setting report is presented to Cabinet on 10 February 2022.
- 86 Members will recognise that this is the same budget process as two years ago as opposed to the shortened process used last year. However, we are looking to shorten the process in future years to run from November to February, but this will require significant changes to the committee meetings schedule.
- 87 Training sessions on the budget process were provided to Members in 2019. If Members require any further training or have any questions about the process, they are asked to contact Adrian Rowbotham or Alan Mitchell.

Review of the 10-year Budget Process

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

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

It is a requirement for the Council to set a balanced budget, failure to be able to do so could result in a S.114 notice being issued by the S.151 Officer. There is currently no expectation that the Council would be required to be in that position. Our 10-year budget approach provides adequate flexibility to manage the unprecedented financial shock of Covid-19, subject to sufficient savings being identified and implemented, and the ongoing effective and prudent management of the Council's finances.

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

The risks associated with the 10-year budget approach include uncertainty around the level of shortfall and the timing of key announcements such as future changes to Business Rates Retention. The risks will be mitigated by continuing to review assumptions and estimates, remaining financially self-sufficient and by updating Members throughout the process.

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.

Conclusions

The Strategic Financial and Business Planning process has ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult challenges that it has faced. The 10-year budget has further improved this process and helped to ensure that the Council is well placed in dealing with more immediate and longer-term challenges.

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

The attached 10-year budget shows that this Council is aiming to continue to be financially stable going into the future with a level of assurance that any council would aspire to.

This budget process will once again be a challenge for a Council that already provides value for money services to a high standard; and ensuring that these proposals lead to an achievable 10-year budget, Members will need to consider the impact on service quality, staff and well-being.

Appendices

Appendix A - Budget Timetable

Appendix B - 10-year Budget

Appendix C - Financial Strategy

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

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2022/23 Budget Setting Timetable

Stage 1: Financial Prospects and Budget Strategy 2022/23 and Beyond

7 September - Finance & Investment AC

16 September - Cabinet

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

28 September - Housing and Health AC

6 October - People & Places AC

7 October - Improvement & Innovation AC

12 October - Cleaner & Greener AC

19 October - Development & Conservation AC

4 November - Finance & Investment AC

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

9 December - Cabinet

Stage 4: Budget Update (incl. Government Settlement information)

13 January - Cabinet

Stage 5: Budget Update and further review of Service Change Impact Assessments (if required)

January to February - Advisory Committees

Stage 6: Budget Setting Meeting (Recommendations to Council)

10 February - Cabinet

Stage 7: Budget Setting Meeting (incl. Council Tax setting)

22 February - Council

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

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	Budget 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure											
Net Service Expenditure c/f	15,581	16,879	16,633	16,967	17,171	17,380	17,643	18,173	18,712	19,258	19,813
Inflation	616	496	503	509	515	522	529	539	547	556	565
Superannuation Fund deficit	0	0	100	0	0	50	0	0	0	0	0
Net savings (approved in previous years)	682	(642)	(169)	(206)	(206)	(209)	1	0	(1)	(1)	0
New growth	0	0	0	0	0	0	100	100	100	100	100
New savings/Income	0	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	16,879	16,633	16,967	17,171	17,380	17,643	18,173	18,712	19,258	19,813	20,378
Financing Sources											
Govt Support: Revenue Support Grant	0	0	0	0	0	0	0	0	0	0	0
: Lower Tier Services Grant	(98)										
: Local Council Tax Support (LCTS)	(245)										
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(11,443)	(11,836)	(12,366)	(12,786)	(13,182)	(13,589)	(13,982)	(14,384)	(14,798)	(15,222)	(15,657)
Business Rates Retention	(2,182)	(2,226)	(2,271)	(2,316)	(2,362)	(2,409)	(2,457)	(2,506)	(2,556)	(2,607)	(2,659)
Collection Fund Deficit/(Surplus)	17	17	17	0	0	0	0	0	0	0	0
Interest Receipts	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)
Property Investment Strategy Income	(1,468)	(1,508)	(1,558)	(1,558)	(1,558)	(1,655)	(1,655)	(1,655)	(1,696)	(1,696)	(1,696)
Contributions to/(from) Reserves	(337)	(146)	(130)	(572)	226	241	255	271	285	185	148
Total Financing	(15,944)	(15,887)	(16,496)	(17,420)	(17,064)	(17,600)	(18,027)	(18,462)	(18,953)	(19,528)	(20,052)
Budget Gap (surplus)/deficit	935	746	471	(250)	316	43	146	250	305	285	326
Contribution to/(from) Stabilisation Reserve	(935)	(746)	(471)	250	(316)	(43)	(146)	(250)	(305)	(285)	(326)
Unfunded Budget Gap (surplus)/deficit	0	0	0	0	0	0	0	0	0	0	0

Assumptions	
Revenue Support Grant:	nil all years
Business Rates Retention:	Business Rates Retention safety-net plus 2% per year
Council Tax:	2% in all years
Council Tax Base:	Increase of 730 Band D equivalent properties p.a. from 22/23, 580 p.a. from 25/26, 480 p.a. from 27/28
Interest Receipts:	£188,000 in all years
Property Investment Strategy:	£1.508m in 22/23, £1.558m from 23/24, £1.655m from 26/27, £1.696m from 29/30
Pay award:	2% in all years
Other costs:	2.25% in all years
Income:	2.5% in all years except for off-street car parks which are an average of 3.5% per annum from 19/20 - 23/24. Note 21/22 Car Parking inflation deferred for one year

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Financial Strategy








INTRODUCTION

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

The absolute need and desire to support our local businesses and people in our communities during the Covid-19 pandemic placed an unforeseen and difficult challenge on the Council and its finances. Using our previous experience and following our principles, we acted early, bringing forward our budget setting, making incredibly difficult but necessary savings to maximise the opportunity for a much stronger financial position in the medium to long-term.

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

-  Environment
-  Economy
-  Housing
-  Community Safety
-  Health

OUR FINANCES

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

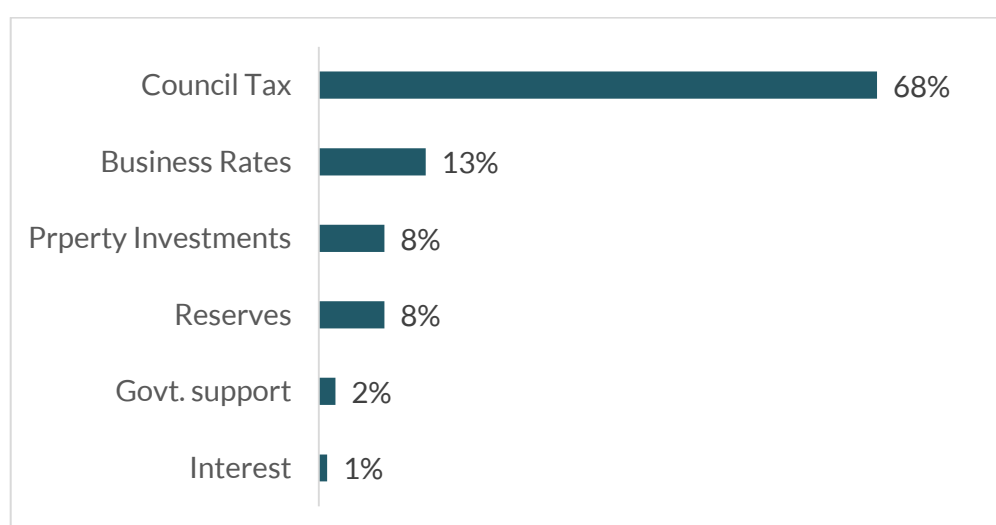
What's important to us:

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

To be successful, we must:

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

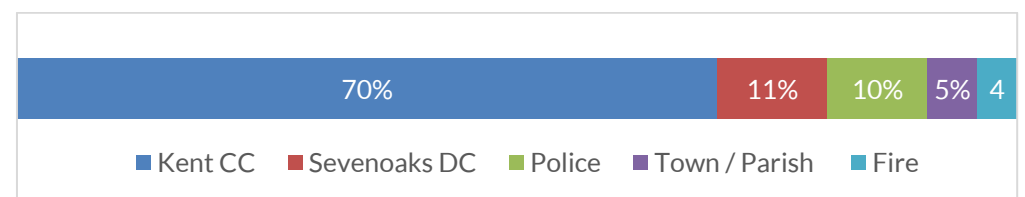
WHERE OUR MONEY COMES FROM



COUNCIL TAX

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




Sevenoaks District Council's part of the charge at Band D is £224.91, 11% of the total. Council Tax contributes about £11.4million to District Council services.



WHERE OUR MONEY IS SPENT

In 2021/22 the Council will spend about £16.8million on services for local people

	Cleaner & Greener £5.7m
	Development & Conservation £0.9m
	Housing & Health £1.0m
	People & Places £0.6m

	Finance & Investments £3.1m
	Improvement & Innovation £5.7m
	Other -£0.2m

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

Financial self-sufficiency



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

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

Savings & reserves



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

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

Income & investments



Making best use of the Council's reserves and carefully managed borrowing generates 10% of the Council's annual budget. Seeking new opportunities for funding from grants and investments is increasingly essential to the Council's financial sustainability.

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

Delivering our Financial Strategy

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

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

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



Outcomes and success measures

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

Finance & Investment Advisory Committee Work Plan 2021/22 (as at 23.6.21)

7 September 2021

- Treasury Management Annual Report 2020/21
- Financial Performance Indicators 2021/22 - to the end of July 2021
- Financial Results 2021/22 - to the end of July 2021
- Financial Prospects and Budget Strategy 2022/23
- Bank Account Signatories

4 November 2021

- Budget 2022/23: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)
- Treasury Management Mid-Year Update 2021/22
- Financial Performance Indicators 2021/22 - to the end of September 2021
- Financial Results 2021/22 - to the end of September 2021

11 January 2022

- Discretionary Rate Relief
- Treasury Management Strategy 2022/23
- Financial Performance Indicators 2021/22 - to the end of November 2021
- Financial Results 2021/22 - to the end of November 2021
- Property Investment Strategy Update Capital Programme & Asset Maintenance 2022/25
- Risks and Assumptions for Budget 2022/23

24 March 2022

- Financial Performance Indicators 2021/22 - to the end of January 2022

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- Financial Results 2021/22 - to the end of January 2022
- Carry Forward Requests 2021/22