

10 November 2022 at 7.00 pm


Council Chamber, Argyle Road, Sevenoaks

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Cabinet

Supplementary Agenda

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5. Rural England Prosperity Fund	Replacement Page 5	Detlev Munster Tel: 01732227099
		
6. Financial Monitoring 2022- 23 To the End of September 2022	Replacement Page 15	Alan Mitchell Tel: 01732227483
7. Financial Prospects and Budget Strategy 2023/24 and beyond	Replacement Page 51	Adrian Rowbotham Tel: 01732 227153
8. Treasury Management Mid year Update 22/23	Replacement Page 75	Jessica Booth Tel: 01732227436

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.

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Item 05 - Rural England Prosperity Fund

The attached report was considered by the Finance & Investment Advisory Committee on 3 November 2022. The relevant Minute extract is below.

Rural England Prosperity Fund (3 November 2022, Minute 26)

The Strategic Head of Property and Commercial presented the report, which outlined the Council's proposals for the Rural England Prosperity Fund (REPF) addendum to the UK Shared Prosperity Fund investment plan. The Council had received a provisional allocation of £501,000, to support the rural economy.

He explained that this support would primarily be through grants, which would be distributed through the Executive Local Action Group. He advised that the Council would be working within the West Kent Partnership to use business retention funding to facilitate grant distribution, but that the £501,000 from the REPF would be exclusively used within the District.

In response to questions, he advised that the maximum £25,000 limit on grants was a lesson taken from the LEADER programme, to better leverage private sector funding into the District. It was also necessary to allow the funding to reach across the two year period. He further advised that processes for monitoring and evaluating the success of the grants were included in the plan, but that the Council was anticipating more government guidance on these matters.

The Committee discussed the opportunities for local Members to bring forward projects, and the need for District Councillors to have an active role in the process.

Resolved: That:

- a) It be recommended to Cabinet that District Councillors have an up-front role in helping to identify projects that are suitable for the REPF funding; and
- b) The report be noted.

Item 06 - Financial Monitoring 2022 - 23 To the end of September 2022

The attached report was considered by the Finance & Investment Advisory Committee on 3 November 2022. The relevant Minute extract is below.

Financial Monitoring 2022 - 23 To the end of September 2022 (3 November 2022, Minute 29)

The Head of Finance presented the report, which outlined the Council's financial position to September 2022 and the forecast position as at 31 March 2023. An unfavourable variance of £572,000 was reported at the September meeting of the Committee. Since then, £140,000 had been identified within in-year savings, and investment returns were forecast to be above budget by £103,000. Parking and Development Management incomes were expected to exceed budget, but were partly offset by forecast unfavourable variances from the loss of income of the property investment strategy, and the net cost of Direct Services.

The pay offer from April 2022 was not included in the report, as it had not yet been agreed at the date the report was written, but would be included in the future. Members were reminded that an approach was agreed in September to deal with the 2022/23 unfavourable variance resulting from the pay offer.

In response to questions, he clarified the nature of the in-year savings. The Chief Officer for Finance & Trading explained that higher refuse collection volume had eased from its peak, but was still 12% above pre-pandemic levels. He further clarified the parking income was exceeding the expected reduction from the pandemic, and that it was a positive indicator of improving economic activity.

The Committee discussed the Council's use of agency staff, and the steps being taken to employ permanent staff in their place.

Resolved: That

- a) it be recommended to Cabinet that the Finance & Investment Advisory Committee's concerns regarding the level of Agency staff costs, be noted; and that
- b) the report be noted.

Item 07 - Financial Prospects and Budget Strategy 23/24 and Beyond

The attached report was considered by the Finance & Investment Advisory Committee on 3 November 2022. The relevant Minute extract is below.

Financial Prospects and Budget Strategy 23/24 and Beyond (3 November 2022, Minute 30)

The Chief Officer for Finance & Trading presented the report, which was the first stage of the Council's budget setting process for 2023/24. No changes to future assumptions had been made, but they would be reviewed in later stages of the process.

The April 2022 pay award had now been approved, and would result in an annual budget gap of £735,000, when factoring in the £100,000 annual savings target. The Council still intended to remain financially self-sufficient, but would need to make significant savings in this budget process to do so.

The Committee discussed giving Advisory Committees more information on Performance Indicators, to allow them to better identify operational inefficiencies.

Resolved: That it be recommended to Cabinet that Performance Indicators are included in the Budget reports to the Advisory Committees to assist Members in identifying savings.

Item 08 - Treasury Management Midyear Update 22/23

The attached report was considered by the Finance & Investment Advisory Committee on 3 November 2022. The relevant Minute extract is below.

Treasury Management Midyear Update 22/23 (3 November 2022, Minute 27)

The Senior Principal Accountant presented the report which gave details of treasury activity in the first half of the current financial year, recent developments in the financial markets and fulfilled the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

The Committee heard that the Council's investment income had a favourable variance of £102,000 against the budget. She advised that the current valuation of the Multi Asset Income Fund was lower than its initial investment, but that it was performing well in generating income. Fluctuations in its valuation were to be expected, as it was a long-term investment.

Resolved: That it be recommended to Cabinet that the Treasury Management Mid-Year Update for 2022/23, be noted.

