

16 September 2021 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks



Cabinet

Supplementary Agenda

	Pages	Contact
6. Treasury Management Annual Report 2020/21	Replacement Page 79	Roy Parsons Tel: 01732 227204
7. Financial Results 2021/22 to the end of July 2021	Replacement Page 113	Alan Mitchell Tel: 01732227483
8. Financial Prospects and Budget Strategy 2022/23 and Beyond	Replacement Page 145	Adrian Rowbotham Tel: 01732 227153

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 6 - Treasury Management Annual Report 2020/21

The attached report was considered by the Finance & Investment Advisory Committee on 7 September 2021. The relevant Minute extract is below.

Finance & Investment Advisory Committee (7 September 2021, Minute 17)

The Head of Finance presented the report which provided the customary review of investment and borrowing activity during 2020/21 as required by the Council's Financial Procedure Rules. The report outlined the strategy adopted during the year, showed the position of the investment and debt portfolios at the beginning and the end of the year and gave details of how the investment fund had performed in comparison with previous years and against various benchmarks.

Whilst the overall return on the Council's investment exceeded the recognised benchmarks, interest receipts were substantially below budget. In response to a question, the Head of Finance advised that a more demanding style of investment to obtain better results was being investigated.

Public Sector Equality Duty

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

Resolved: That it be recommend to Cabinet that the Treasury Management Annual Report for 2020/2021, be approved.

Item 7 - Financial Results 2021-22 To the end of June 2021

The attached report was considered by the Finance & Investment Advisory Committee on 7 September 2021. The relevant Minute extract is below.

Finance & Investment Advisory Committee (7 September 2021, Minute 19)

The Head of Finance presented the report on the Council's 2020/21 financial results to the end of June 2021 which showed the year-end position was currently forecast to be an unfavorable variance of £0.246m which was largely due to COVID-19; and represented 1.4% of the Council's net service expenditure budget totaling £17.015m.

In response to questions, Members were advised that income for Land Charges were below budget as there were a lower number of enquiries and there was a loss of income to Kent County Council. There were a number of reasons why homelessness was forecast with an adverse variance of £300,000, in particular the Council only recovered a proportion of its spending on homelessness from Government.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the report be noted.

Item 8 - Financial Prospects and Budget Strategy 2022/23 and Beyond

The attached report was considered by the Finance & Investment Advisory Committee on 7 September 2021. The relevant Minute extract is below.

Finance & Investment Advisory Committee (7 September 2021, Minute 20)

The Deputy Chief Executive and Chief Officer Finance & Trading presented the report which was the first report of the Council's budget setting process for 2022/23 onwards. It set out the financial pressures the Council was likely to face in the coming years and suggested an appropriate strategy, utilising the 10-year budget framework, which had proved successful to date and put the Council in a much stronger financial position than most other Councils.

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

The budget process would be the same as two years ago as opposed to the shortened process last year, however it was planned to shorten the process in future years to run from November to February.

The annual budget gap included in the report was £100,000, which related to the annual savings target. However, it was expected that the gap would increase due to the impacts of homelessness, ongoing Covid-19 impacts and inflationary pressures. Growth and savings proposals were to be presented to the Advisory Committees and Cabinet, and their recommendations would be considered as part of the process to remove the gap.

Members discussed the report and took the opportunity to ask questions of clarification. It was clarified that the Asset Maintenance budget was looked at every year and the figure given of 64% was currently proving adequate. With regard to inflation, it was explained there were various inflation assumptions built into the Council's budget however if inflation went higher than the assumption, then the service area it affected would have to find the extra cost in other ways. It was noted that the staffing pay increase for 2021 had not yet been agreed and that there was expected to be a cap set by Government on any rise in Council Tax.

Public Sector Equality Duty

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

Resolved: That Cabinet be advised that the Finance & Investment Advisory Committee endorsed the ten-year financial planning approach, and principles as set out within the report.

