

Item 6 - Financial Monitoring 2022/23 - to the end of July 2022

The attached report was considered by the Finance & Investment Advisory Committee on 6 September 2022. The relevant Minute extract is below.

Financial Monitoring 2022/23 (6 September 2022, Minute 19)

The Head of Finance presented the report on the Council's position 2022/23 and the forecast position up to March 2023. The forecast end of year position presented to the Committee in May had largely translated to this report, giving an unfavourable variance of £572,000. Furthermore, the National Employers for Local Government Services made a final offer in their pay negotiations that would increase this unfavourable variance by £600,000, and the Committee heard that this total variance should be considered in two parts: the mid-year expense and an ongoing future commitment.

The Head of Finance advised that staff costs could be offset in the current year through any surplus from the Kent and Medway Business Rates Pool, and drawing from the Budget Stabilisation Reserve. He recommended to Members that the ongoing impact be addressed through the forthcoming budget setting process.

Members considered the report, and discussed the issues of meeting increased staff and day-to-day costs without additional support from the Government. They further discussed how although the current cost burden could be absorbed, future years would need to be addressed separately, but that this should not stop the Council from resolving the clear, certain issue that had presented itself. The Committee acknowledged that balancing the unfavourable forecast variance would take a significant amount of work, but that greater clarity would come in time regarding which issues are transient and which will have longer lasting impacts.

Resolved: That

- a) the report be noted; and
- b) the proposed method of addressing the impact of the national pay negotiations, be recommended to Cabinet.