

Item 11 – Financial Monitoring 2022/23: Provisional Outturn

The attached report was considered by the Finance & Investment Advisory Committee on 19 June 2023. The relevant Minute extract is below.

Finance & Investment Advisory Committee (19 June 2023, Minute 9)

The Head of Finance presented the report, which set out the provisional financial outturn for 2022/23. This showed an unfavourable variance of £100,000, compared to an unfavourable variance of £43,000 in 2021/22. Additional business rates accrued from the Kent & Medway Business Rates Pool had been provisionally set at £250,000, but Members were advised that final figures had not yet been received, and that this figure was subject to change.

The unfavourable variance stemmed from several factors, including the staff pay award, global events leading to increasing utility costs, and the negative impact of high interest rates on the number of planning applications, building control services, and land charges. These were offset in part from good returns on the Council's vacancy savings contribution, investment income, in-year manager savings, and one-off grants.

In response to questions, the Officer clarified that vacancy contribution to the budget was calculated from the normal leave time when recruiting to a position that had been permanently left. Payments for the Sencio leisure centres had been repurposed to the current leisure provider.

Members discussed the Council's investment fund managers, and potential issues around the ethics of their portfolios. They further discussed the selection process for these funds, and were advised that the process involved Members and Officers. Investment fund managers had shifting portfolios and it was possible that the funds were not investing in unethical companies at the time the decision was made, but now were. The Committee heard that the investment scheme was a 5-year pilot scheme, and that changing funds early may result in penalisation and lost income. It was agreed that the Head of Finance would provide detailed information on the investment selection process to the Committee.

Action: For the Head of Finance to provide detailed information on the investment selection process to the Committee.

Resolved: that the report be noted.