

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	12 June 2019
<b>Report Title</b>	Budget Update
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer
<b>Head of Service</b>	Nick Vickers, Chief Financial Officer
<b>Lead Officer</b>	Nick Vickers, Chief Financial Officer
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	1. To endorse the proposals.

## **1 Purpose of Report and Executive Summary**

- 1.1 Council agreed the budget for 2019/20 on 20 February. This report will set out the new administrations immediate financial priorities which will be brought forward in detailed reports starting in July.

## **2 Background**

- 2.1 The Finance Department has just completed the preparation of the Council's financial accounts and these will be submitted to Audit Committee for their approval on 29 July. Linked to the preparation of the accounts the revenue and capital outturn has been prepared and will be reported to Cabinet on 12 July.

- 2.2 The initial outturn figures show a revenue underspend of £931,000.

- 2.3 As far as Reserves are concerned the position is:

(1) Reserves have risen from £19,876,000 to £23,883,000,

(2) The increase in reserves of £4,007,000 is primarily due to Business Rates (£3m), and

(3) Business rates reserve increase mainly due to:

- Pilot Housing and Commercial Growth Fund £846,000 (to be agreed with North Kent Cluster Leaders)
- Pool Economic Growth Fund £754,000 (KCC consultation required)
- Pilot Financial Sustainability Fund and other Pilot benefits greater than budgeted £1,100,000.

2.4 This administration will manage the finances of the Council soundly with advice from Mr Vickers and Mr Wilson. Reserves were at around £10m at the beginning of this decade and they were deemed to be adequate at that time and the fact they have more than doubled in that time means that there are resources available to fund essential investment in the borough to improve the range and quality of services that we provide to our residents.

### **3 Proposals**

3.1 Starting at the 12 July Cabinet we will bring forward detailed proposals for:

- (1) Establishing a Special Projects Fund with £1m per annum of Reserves committed to it for four years to fund community projects and improvements in the public realm,
- (2) Additional posts in health and housing funded by specific grants and staff savings in other areas, and
- (3) Implementing the Living Wage. Immediately for our staff and as soon as possible for our major contracts where the employees are primarily our residents. This would include leisure, waste, cleansing and grounds maintenance contracts.

### **4 Alternative Options**

4.1 The options will be more fully developed and brought forward.

### **5 Consultation Undertaken or Proposed**

5.1 There will be opportunities for Scrutiny Committee and Policy Development and Review Committee to examine detailed proposals.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Proposals will support the plan objectives updated for the new administration.
Financial, Resource and Property	These proposals will be delivered within the overall resources of the Council.

Legal, Statutory and Procurement	Legal, statutory and procurement requirements will be met
Crime and Disorder	No direct implications.
Environment and Sustainability	No direct implications.
Health and Wellbeing	Support additional resource in this area.
Risk Management and Health and Safety	No direct implications.
Equality and Diversity	Equality and diversity issues will be considered as detailed proposals are brought forward.
Privacy and Data Protection	No direct implications.

## **7 Appendices**

None

## **8 Background Papers**

None