

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services  
Zena Cooke, Corporate Director of Finance

To: Cabinet 31<sup>st</sup> March 2022

Decision No:

Subject: **KCC Budget – Updated Financial Risks**

Classification: **Unrestricted**

**Summary:**

The attached report provides an update since the County Council budget report on the financial risks to the Council from increasing inflation and the potential impact of the Russian Invasion of Ukraine.

**Recommendations:**

a) Cabinet is asked to note the increased financial risks identified in the attached report, and the proposed increases to general and risk reserves in the report on retained business rates and final local government settlement elsewhere on this agenda.

b) Cabinet is asked to note, as set out in 4.2 of the attached report, that Corporate Directors are implementing the inflationary increases for locally negotiated contracts in line with what was agreed in the 2022-23 revenue budget.

c) Cabinet is asked to agree that the quarterly finance monitoring reports include the identification of compensating actions, as set out in 8.4 of the attached report, including potential cost reductions and savings to offset any projected overspend for 2022-23, to avoid unsustainable drawdowns from reserves and to mitigate increased demands on future years' budgets.

**Background Documents**

**Contact details**

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