

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

To: Cabinet, 1 December 2022

Subject: Revenue and Capital Budget Monitoring Report – September 2022-23

Classification: Unrestricted

Summary:

The attached report sets out the revenue and capital budget monitoring position as at September 2022-23.

Recommendation(s):

Cabinet is asked to:

- a) NOTE the projected Revenue monitoring position of £60.9m overspend.
- b) NOTE the projected Schools' monitoring position of £50.4m overspend.
- c) APPROVE the use of reserves in this year to fund the £1.1m timing difference in Kent Travel Saver income
- d) NOTE the progress on the delivery of £41.2m in-year savings.
- e) NOTE the actions being taken to reduce the projected overspend as far as possible.
- f) NOTE the projected Capital monitoring position of £74.6m underspend.
- g) NOTE the Prudential Indicators report.
- h) NOTE the Reserves monitoring position.

1. Introduction

- 1.1 The September 2022-23 budget monitoring report being presented is the second monitoring position for 2022-23 and sets out the revenue and capital projected position.

2 Revenue and Capital Budget Monitoring Report – September 2022-23

- 2.1 The attached report sets out the overall projected position as at 30 September 2022-23, which is a revenue overspend of +£60.9m and a capital underspend of -£74.6m.
- 2.2 The size of the overspend is of serious concern and will require significant management action, minimising spend as far as possible to ensure we are as close

to a balanced budget as possible by the year end. This is particularly important given the 2023-24 and medium-term budget challenge. Inflationary and demand pressures, combined with non-delivery of some agreed savings, are impacting on both income and expenditure. Any overspend at the end of the financial year will need to be met from general or earmarked reserves, but this approach is not sustainable in the medium term. A new section 12 has been added to the report which details the actions that are being, and will be taken that are not yet reflected in the report but which will reduce the overspend position. Section 12 also highlights the impact of these actions on the 2023-34 budget position.

2.4 The Schools' Delegated budgets are reporting an overspend of +£50.4m. This reflects the impact of high demand for additional SEN support and greater demand for specialist provision. The High Needs deficit is the Council's single most significant financial risk and is now part of the DfE's Safety Valve Programme which requires a robust deficit reduction plan to bring the deficit back into balance within 5 years.

3. Recommendation(s)

Cabinet is asked to:

- a) NOTE the projected Revenue monitoring position of £60.9m overspend.
- b) NOTE the projected Schools' monitoring position of £50.4m overspend.
- c) APPROVE the use of reserves in this year to fund the £1.1m timing difference in Kent Travel Saver income
- d) NOTE the progress on the delivery of £41.2m in-year savings.
- e) NOTE the actions being taken to reduce the projected overspend as far as possible.
- f) NOTE the projected Capital monitoring position of £74.6m underspend.
- g) NOTE the Prudential Indicators report.
- h) NOTE the Reserves monitoring position.

4. Contact details

Report Author

Emma Feakins
Chief Accountant
03000 416082
Emma.feakins@kent.gov.uk

Relevant Director

Zena Cooke
Corporate Director Finance
03000 419205
Zena.cooke@kent.gov.uk