

## **Item 12 – Financial Monitoring 2023/24: Early Indications**

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 11)**

The Chief Officer for Finance & Trading presented the report, which set out the early indications for the 2023/24 financial year. Initial high-level work highlighted several financial pressures. Changes in the management of the leisure centres had an estimated cost of £1.83 million over the next two years. The Staff Pay Award for April 2023, not yet agreed, could lead to additional costs of at least £750,000 per year. (The cost of the pay award from April 2022 was partly addressed by borrowing from reserves, to be repaid over 10 years at £39,000 per year.) Other pressures included continuing high demand for refuse and recycling services, the ongoing need for temporary accommodation, general inflation, and the annual savings assumption of £100,000.

Members were advised that the total annual pressure would likely be in excess of £1 million. Part of the solution is expected to result from a review of fees and charges as requested by Members, but finding the remainder would be a major challenge.

In response to questions, Members were advised that the Council were a creditor of Sencio but were unlikely to recoup any money. The performance of the new operators was being continually monitored, which would help refine the estimated £1.83 million figure. Members discussed the limits on increases to council tax, and were advised that the 3% or £5 maximum increase per year was not expected to be changed for the upcoming year.

Resolved: That the report be noted.