

DECISION-MAKER:	CABINET		
SUBJECT:	FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2022		
DATE OF DECISION:	16 AUGUST 2022		
REPORT OF:	CABINET MEMBER FOR FINANCE & CHANGE		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director for Finance, Commercialisation & S151 Officer	
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STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>The report summarises the General Revenue Fund, Housing Revenue Account (HRA) and Collection Fund financial position for the Council as at the end of June 2022 and informs Cabinet of any major changes in the overall General Fund and HRA capital programme for the period 2022/23 to 2026/27.</p> <p>The deficit as outlined in this report is £15.24M as at 30 June 2022, with the most significant deficit being for the Children & Learning portfolio (£9.19M). Mitigation plans are being worked on to reduce the forecast deficit.</p>

RECOMMENDATIONS:

	<u>General Revenue Fund</u>	
	It is recommended that Cabinet:	
	i)	Notes the forecast outturn position is a £15.24M deficit, as outlined in paragraph 4 and in paragraph 1 of appendix 1.
	ii)	Notes the performance of treasury management, and financial outlook in paragraphs 5 to 8 of appendix 1.
	iii)	Notes the forecast year end position for reserves and balances as detailed in paragraphs 9 and 10 of appendix 1.
	iv)	Notes the Key Financial Risk Register as detailed in paragraph 11 of appendix 1.
	v)	Notes the performance against the financial health indicators detailed in paragraphs 15 and 16 of appendix 1.
	vi)	Notes the forecast outturn position outlined in the Collection Fund Statement detailed in paragraphs 19 to 22 of appendix 1.

	<u>Housing Revenue Account</u> It is recommended that Cabinet:
vii)	Notes the forecast outturn position is a nil variance against budget as outlined in paragraph 5 and paragraph 17 of appendix 1.
	<u>Capital Programme</u> It is recommended that Cabinet:
viii)	Notes the revised General Fund Capital Programme, which totals £359.50M as detailed in paragraph 1 of appendix 2.
ix)	Notes the HRA Capital Programme is £266.72M as detailed in paragraph 1 of appendix 2.
x)	Approves the net addition of £0.33M to the Transport & District Regeneration programme, along with approval to spend as detailed in paragraphs 3 and 4 of appendix 2.
xi)	Approves slippage and rephasing of £37.58M (£30.64M of General Fund and £6.94M of HRA) as detailed in paragraph 5 and 6 of appendix 2. Noting that the movement has zero net movement over the 5-year programme.
xii)	Notes that the overall forecast position for 2022/23 at quarter 1 is £186.11M, resulting in a potential surplus of £3.00M, as detailed in paragraphs 7 and 8 of appendix 2.
xiii)	Notes that the capital programme remains fully funded up to 2026/27 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not Applicable.
DETAIL (including consultation carried out)	
	<u>Revenue</u>
3.	The financial position for the General Revenue Fund, Housing Revenue Account (HRA) and Collection Fund for the Council as at the end of June 2022 and key issues are summarised in appendix 1.
4.	The current forecast spending against the council's net General Fund revenue budget for the year of £193.05M is projected to be a £15.24M deficit, with a forecast deficit of £9.19M for Children & Learning being a key component. This is a significant and concerning adverse variance to be reporting so early in the year. Mitigation plans are being worked on to reduce the forecast deficit.
5.	The forecast position for the HRA is a nil variance against the budgeted deficit of £0.92M, with a forecast surplus of £0.62M against an expenditure budget of £77.33M offset by a forecast deficit of £0.62M against an income budget of £76.41M.

	<u>Capital</u>
6.	Appendix 2 sets out any major changes in the overall General Fund and Housing Revenue Account (HRA) capital programme for the period 2022/23 to 2026/27, highlighting the changes in the programme since the last reported position in July 2022. The report also notes the major forecast variances against the approved estimates.
7.	Following a review to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend, there is £37.58M of slippage (£30.64M General Fund and £6.94M HRA) from 2022/23 into later years, as detailed in paragraphs 5 and 6 of appendix 2.
8.	The current forecast position for 2022/23 at quarter 1 is £186.11M, resulting in a potential surplus of £3.00M, as detailed in paragraphs 7 and 8 of appendix 2.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	The revenue and capital implications are contained in the report.
<u>Property/Other</u>	
10.	There are no specific property implications arising from this report other than the schemes already referred to within appendix 2 of the report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
<u>Other Legal Implications:</u>	
12.	None.
RISK MANAGEMENT IMPLICATIONS	
13.	See comments within report.
POLICY FRAMEWORK IMPLICATIONS	
14.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Revenue Financial Monitoring
2.	Capital Financial Monitoring

Documents In Members' Rooms

1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	The Revenue Budget 2022/23, Medium Term Financial Strategy and Capital Programme (Council 23 February 2022)	