

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	THE FINANCIAL POSITION OF THE COUNCIL		
DATE OF DECISION:	13 FEBRUARY 2024		
REPORT OF:	SCRUTINY MANAGER		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Corporate Services and S151 Officer	
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STATEMENT OF CONFIDENTIALITY

Appendices 2 and 3 to this report are confidential and exempt from publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It contains information relating to the financial or business affairs of any particular person (including the Authority holding that information).

BRIEF SUMMARY

The Chair of the Overview and Scrutiny Management Committee (OSMC) has requested that a special meeting of the Committee is scheduled to consider the financial position of the Authority.

RECOMMENDATIONS:

	(i)	That the Committee utilise the information contained within the attached appendices, and the issues that have been identified by the Chair as areas of focus, to scrutinise the Executive on the financial position of the Council.
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REASONS FOR REPORT RECOMMENDATIONS

1.	To enable the Scrutiny Committee to have an informed discussion on the financial position of the Council
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	To not schedule a special meeting of the Committee to consider the financial position of the Council. This was rejected because scrutiny is an essential component of good governance.
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DETAIL (Including consultation carried out)

3.	Given the financial pressures on the Council, the OSMC has discussed the financial position of the Council with the Executive at a number of meetings this municipal year. The Committee last discussed budget matters, including
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	an update to the Medium-Term Financial Strategy, at the 22 November 2023 meeting.
4.	At the November meeting the Committee were informed that the Council intended to request Exceptional Financial Support from the Government, and that further proposals for the 2024/25 budget would be published in January 2024.
5.	In the absence of the published budget proposals, and uncertainty about the negotiations with Government and the 2024/25 budget setting process, the Chair of the OSMC requested that a special meeting of the Committee is scheduled on 13th February 2024 to consider the financial position of the Council.
6.	<p>Whilst recognising that this is a dynamic situation, and that by 13th February the Executive may not be in a position to provide the Committee with all of the detail requested, the Chair has indicated his intention for the Committee to discuss the following issues at the meeting:</p> <ul style="list-style-type: none"> • The current in-year financial position of the Council. • The request to Government for Exceptional Financial Support and the response received to date to the request. • The position with regards to publishing and consulting on budget proposals for 2024/25. • Headline progress relating to transformation since the November 2023 meeting of the Committee. • An overview of the next steps to be taken to improve the financial sustainability of the Council - including options available, governance processes and timelines.
7.	<p>To inform the discussion the following information has been attached to the report:</p> <ul style="list-style-type: none"> • Revenue financial monitoring for the period to the end of December 2023 – Appendix 1 • Southampton City Council’s request to Government for Exceptional Financial Support – Exempt Appendix 2 • A letter from the Department for Levelling Up, Housing and Communities – Exempt Appendix 3.
8.	Cllr Letts, Deputy Leader and Cabinet Member for Finance and Change, and Mel Creighton, Executive Director for Corporate Services and S151 Officer have been invited to attend the meeting. The Committee are requested to utilise the information provided, and the issues that have been identified by the Chair in paragraph 6 as areas of focus, to scrutinise the invited attendees on the financial position of the Council.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	None directly as a result of this report. Appendix 1 outlines the financial position for the council as at the end of December 2023.
<u>Property/Other</u>	

10.	None directly as a result of this report.	
LEGAL IMPLICATIONS		
<u>Statutory power to undertake proposals in the report:</u>		
11.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.	
<u>Other Legal Implications:</u>		
12.	None directly as a result of this report.	
RISK MANAGEMENT IMPLICATIONS		
13.	None directly as a result of this report.	
POLICY FRAMEWORK IMPLICATIONS		
14.	None directly as a result of this report.	
KEY DECISION		No
WARDS/COMMUNITIES AFFECTED:		None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Draft Cabinet report - Revenue financial monitoring for the period to the end of December 2023	
2.	Southampton City Council's request to Government for Exceptional Financial Support – Exempt	
3.	A letter from the Department for Levelling Up, Housing and Communities – Exempt	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) 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.	None	