

Birmingham City Council

Resources Overview and Scrutiny Committee

Date 30th March 2023



Subject: FINANCIAL MONITORING REPORT 2022/23
MONTH 10 (UP TO 31ST JANUARY 2023)

Report of: Director of Council Management and S151 Officer –
Rebecca Hellard

Report author: Acting Director of Finance (Deputy S151 Officer) – Fiona
Greenway

1 Purpose

- 1.1 To update Resources Overview and Scrutiny Committee on 30th March on the financial position at Month 10.

2 Recommendations

- 2.1 Scrutiny notes that the Council has faced a number of challenges in 2022/23. However, the Council is in a strong robust position with strong financial control processes in place. Reserves are healthy and within recommended limits.
- 2.2 Scrutiny notes that there is currently a small forecast year end underspend of £0.8m. This is an improvement of £11.8m compared to the risk of overspend reported at Month 9. Work will continue to ensure the position remains within budget. The Financial Resilience Reserve will remain at more than adequate levels to meet our financial risks.
- 2.3 In addition, Scrutiny notes that the forecast Capital spend has not changed since Month 9 and an updated Treasury Management position is provided, as set out in paragraphs 4.4 to 4.6 of this report

3 Any Finance Implications

- 3.1 Appendix A attached gives details of the risks, potential financial pressures the city council faces and actions to be taken to ensure service delivery within available resources.
- 3.2 Rigorous spend controls are in operation and we are continuing to undertake due diligence around the value of overspending identified. We are also continuing to review our reserves and release these where no longer required. Whilst we are

monitoring progress on mitigations, there is no guarantee that this will mitigate in full the level of risk of overspend at the year end.

- 3.3 Slippage within the Capital programme of £146.7m has been identified at Quarter 3. However, it is important to note that no financial resources will be lost if there is slippage in the programme's expenditure at the end of the financial year. The resources and planned expenditure will be "rolled forward" into future years.

4 Any Legal Implications

- 4.1 Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.
- 4.2 Section 111 of the Local Government Act 1972 contains the Council's ancillary financial and expenditure powers in relation to the discharge of its functions.

5 Any Equalities Implications

- 5.1 None

6 Appendices

- 6.1 Report to Cabinet on Month 10 Financial Monitoring 2022/23
- 6.2 Appendix A Month 10 Financial Monitoring Report 2022/23