

Birmingham City Council

Resources Overview and Scrutiny Committee

Date 9th February 2023



Subject: FINANCIAL MONITORING REPORT 2022/23
QUARTER 3 (MONTH 9) (UP TO 31ST DECEMBER 2022)

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

Report author: Director of Finance (Deputy S151 Officer) – Sara Pitt

1 Purpose

- 1.1 To update Cabinet on 14th February and Resources Overview and Scrutiny Committee on 9th February on the financial position at Quarter 3 (Month 9).

2 Recommendations

- 2.1 Scrutiny notes that the Council faces 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 that there is a forecast year end overspend of £11.0m. This is an improvement of £26.7m compared to the risk of overspend reported at Month 8. Work will continue to try to reduce this further. The financial resilience reserve will remain at more than adequate levels to meet our financial risks.
- 2.3 Scrutiny notes an increase in the Capital Budget for 2022/23 of £5.1m resulting in a revised capital budget of £728.6m.
- 2.4 Scrutiny notes the forecast Capital spend is £581.9m. There is an increase in slippage of £86.7m from Month 8.

3 Any Finance Implications

- 3.1 The 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 Work is on-going to mitigate this risk of overspend by the year end. In particular, the spending controls are focussing on staffing, facilities management and

procurement. We have in place measures to ramp up the benefit of these controls. We will continue to maximise the use of these controls.

- 3.3 Slippage within the Capital programme of £60.0m was identified at Month 8, and a further £86.7m has been identified since then. 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 Quarter 3 Financial Monitoring 2022/23
- 6.2 Appendix A Quarter 3 Financial Monitoring Report 2022/23